

# AT THE CENTRE OF YOUR UNIVERSE

Sustainability Report 2022

M T

DIGITAL  
ECOSYSTEM

S

2022



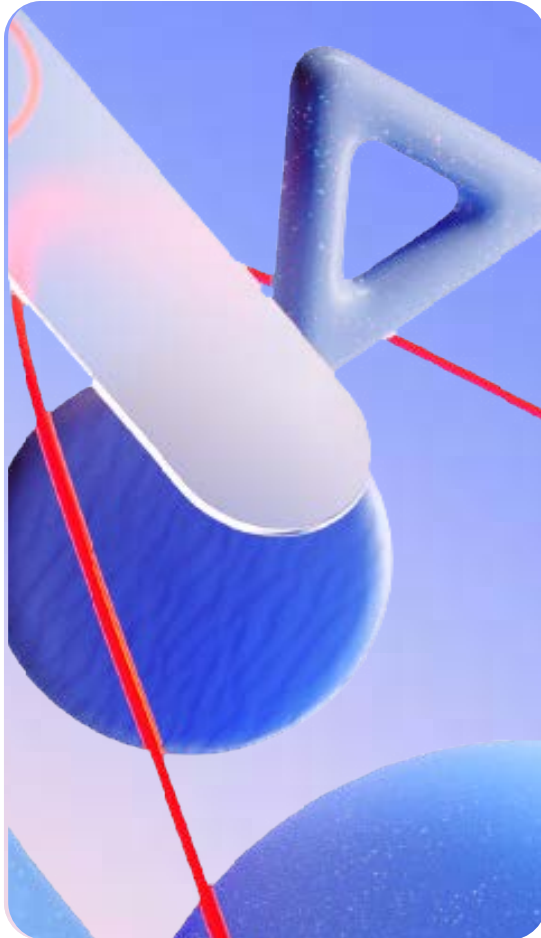
# Contents



<b>2</b>	<b>INTRODUCTION</b>	<b>96</b>	<b>RESPONSIBLE AND ETHICAL GOVERNANCE</b>
3	Top Management Statement	98	Unified Compliance System
4	ESG Committee Statement	105	Internal Control System
		106	Tax Management
<b>5</b>	<b>ABOUT THE REPORT</b>	107	Open Dialogue with Stakeholders
6	Methodology	111	Responsible Supply Chain
8	Determination of Material Topics	113	Information Security
11	ESG Barometer		
<b>12</b>	<b>DEVELOPMENT OF A DIGITAL SOCIETY</b>	<b>116</b>	<b>SUSTAINABLE BUSINESS DEVELOPMENT</b>
13	Providing an Accessible Environment and Services	117	MTS ESG Strategy
30	Support for Economic Development	121	Sustainable Development Management
37	Support for Digital Development of Communities	123	ESG Risk Management
		131	Recognition and Awards
		136	Membership in Associations and Organisations
<b>53</b>	<b>CARE FOR EMPLOYEES</b>	<b>137</b>	<b>MTS TODAY</b>
54	Corporate Culture	138	MTS Digital Ecosystem
56	HR Management Digitalisation	140	Evolution of MTS Strategy
58	Our Team	145	Business Model
63	Health and Safety	146	Contacts
67	Training and Development		
71	Culture of Support and Open Dialogue	<b>147</b>	<b>APPENDICES</b>
74	Diversity and Equal Opportunity	148	Assurance by an Independent Auditor
80	Development of Volunteering	149	Glossary and Abbreviations
81	MTS Best Social Projects	151	List of Regulatory Documents
		152	ESG Dashboard
<b>82</b>	<b>ENVIRONMENTALLY-FRIENDLY DIGITALISATION</b>	171	Table of Company Initiatives' Compliance with the UN SDGs and Russian National Goals
84	'Green' Services	187	GRI Index and Indicator Details
86	Responsible Use of Resources	195	SASB Index and Indicator Details
92	Carbon Management	197	TCFD Index and Indicator Details
		198	Accordance to GSMA ESG Metrics for Mobile
		204	Details of MTS Group Charitable Donations



# TOP MANAGEMENT STATEMENT



**Dear friends,** GRI 2-22

Today, MTS is an example of sustainability. Our strategy is focused on building an ecosystem of digital services that surround the customer and meet his or her needs in everyday life, at work, in communication and in other social functions. The Company's business is steadily on the rise. While we remain a leader in the world of telecommunications, over the past few years we have transformed ourselves from the inside out with dozens of new businesses — and for many of these, such as Media and AdTech, last year was a year of operational and financial breakthroughs. Yet again we have proven that we were first-time right to diversify our business structure from the beginning and lay the foundation for further development.

Our team is the most important asset of the MTS ecosystem. It ensures its growth and sustainability. We work every day to make MTS the best Company not only for our customers, but also for our employees by actively recruiting the most professional personnel in the market. Together, we create a comfortable and innovative business environment, genuinely care about well-being of colleagues, including those outside the workplace, implement inclusive projects, and encourage development by providing various learning and growth formats and tools. This is the cornerstone of our human resources philosophy and reflects our responsibility towards our employees. MTS's top priority has always been and remains to create conditions in which our employees see the Company not just as a place to work, but as a community of like-minded people — smart, talented, entrepreneurial, open to partnering and new ideas. MTS employee engagement rose to 93% throughout the last year.

A key principle of MTS corporate culture is commitment of all employees — from top managers to frontline employees — to the practices of transparency and openness, ethical business conduct and responsible partnership, and the absolute rejection of corruption. No ethics — no trust. No trust — no ecosystem. By building trust, we contribute to a better future — for people, society and business — in close cooperation with our stakeholders.

We strive to unlock a tremendous potential of technology applications for the benefit of society's well-being, development of inclusive practices, preservation of natural resources and cultural achievements for future generations. MTS has a long-standing commitment to the principles of sustainable development, and we continue to focus our ESG strategy on the top-priority UN Sustainable Development Goals.

The expert community appreciated MTS Group's contribution to the sustainable development of the regions where the Company operates, and also noted the Company's proactive approach to human resources, which creates favourable conditions for the growth of employees and preservation and transfer of their professional experience. This is evidenced by MTS's Platinum status as a Best Place to Work in the Forbes rating, which focuses on ESG aspects of the Company's operations. Our Social Policy was recognised as the best in the ESG Excellence Award, and MTS' inclusive culture become a winner in the Diversity & Inclusion category of the HR IMPACT Award.

Year 2023 is a time of continued disruption, and to maintain business resilience, we need to embrace bold ideas across our business, from sourcing and marketing to managing portfolio transformation, building a network of partnerships and automating many business processes. In the first quarter of 2023, we introduced one of the first of these steps, a refresh of our brand positioning. A logical and smart creative solution already helps us to react in a timely manner to the changing environment and to the challenges of the competition. I am confident that we will be able to cope with these challenges and achieve our goals.

**Vyacheslav Nikolaev**

MTS Group President

# ESG COMMITTEE STATEMENT



We at MTS are confident that the sustainability of business is due to the sustainability of society, so we continued to systematically integrate ESG aspects into our work on ecosystem development at all levels of management.

The cornerstone of our brand and all our activities in the field of sustainable development has always been transparency, clear disclosure of ESG information as well as the commitment to the principles of business ethics and the high level of compliance culture which we consider to be one of the reasons for special pride. Employees of MTS Group companies understand that the success of MTS depends on their daily efforts and responsible behaviour.

The 'tone from the top' is set by MTS's Board of Directors and the ESG Committee of the Board of Directors. In the reporting year, the committee met more often than in previous years, focusing on the whole range of sustainable development issues. We thank the management for their effective and constructive work in 2022 and the entire MTS team for involvement, enthusiasm and commitment to ESG principles in their work.

The highlights of 2022, of course, were the projects in the field of inclusion and diversity, which were implemented with the involvement of employees at all levels; we managed to intensify work on such a complex topic as energy efficiency. Special attention was paid to scaling ESG initiatives in subsidiaries — and we have also made significant progress in this direction. The current assessment by the Board of Directors ensures that the quality of the implementation of our ESG strategy is also checked in the Company's top management bodies. In 2022, management and compliance received a lot of attention in various aspects at all levels of interaction as the main discipline in the ESG Committee.

What can be called the best indicator of our sustainability? It is the persistence of a high level of quality of MTS services. We continue to support customers in all markets of our presence, regardless of external challenges; we do a lot to support communities in the territories of the Group's presence and preserve their sustainability. This is how we fully fulfil the role of responsible business, which we assumed from the very beginning of the MTS Group's existence.

MTS' efforts to promote the sustainable development agenda have been noted by the professional and expert community in Russia. In the reporting year, we strengthened our positions in the ratings on sustainable development. We are building open and trusting relationships with all MTS stakeholders and practice a culture of partnership, initiative and responsible leadership. You will learn about our work and achievements from this Report.

# ABOUT THE REPORT



6	Methodology
8	Determination of Material Topics
11	ESG Barometer



# METHODOLOGY



GRI 2-1 GRI 2-2 GRI 2-3 GRI 2-4 GRI 2-5

We have been issuing Sustainability Reports for you since 2008. Over this time, the Company's business has evolved and its operations have been scaled up. We have transformed our approach to sustainable management along with our non-financial reporting.

In this 15th Report, we would like to talk about the contribution of the digital ecosystem to the social and economic development of the regions of our operation in these fairly difficult and turbulent times. We have sought to remain a stronghold of stability and continued to implement our environmental, social, governance (ESG) initiatives by providing high-quality and accessible digital services that drive social and economic progress and improve the quality of life of society. In this Report, we have shown our operations through the focus of consistent implementation of the Company's ESG strategy and have tried to present the full scale of our ESG activity and its results in terms of key indicators and their changes over time. We have also shared our plans for the near future.

This approach has helped us present our environmental, social, and inclusive programmes and our practices of risk management and ethical business conduct in a consistent manner, i.e., taking into account the results of their implementation monitoring.

In addition, the Report reflects the proactive contribution of MTS to the achievement of the United Nations Sustainable Development Goals (UN SDGs) and Russia's National Development Goals up to 2030, and discloses the relationship between the growing business of the ecosystem and its corporate governance and the Company's ESG strategy. The Report is intended for a wide audience, and we hope that it will be of interest to the public as we understand the importance of our educational function performed through the demonstration of sustainability practices. Moreover, when determining the content of the Report, we have focused on the sustainability priorities and expectations of stakeholders.

Information is presented in accordance with best Russian and international practices and in correlation with the metrics and standards developed by the professional community. In 2022, MTS continued to disclose information using the basic performance indicators developed by the Russian Union of Industrialists and Entrepreneurs (RSPP) and taking into account the three most significant international documents on reporting:

- Global Reporting Initiative standards (GRI 2021)
- recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- industry standards – Software & IT Services, Internet Media & Services, Telecommunications Services – of the Sustainability Accounting Standards Board (SASB)

The information published in this Report covers the activities of Mobile TeleSystems Public Joint Stock Company (MTS PJSC) and its subsidiaries (MTS Group) from 1 January to 31 December 2022. Quantitative data are presented as of 31 December 2022 (unless otherwise noted).

To prepare this Report, we have performed a detailed recalculation of quantitative data for previous periods so they may differ from previously published data. If the accounting methodology has changed, the relevant indicators are given for the current reporting period only.

Some forward-looking statements may contain estimates or forecasts of future events or the Company's future financial performance. Such statements contain the words 'plans', 'intends' or other similar expressions. Please note that these statements are based on the data of business units and subsidiaries available at the time of preparing the Report and represent assumptions. The actual events may differ from the declared ones due to the occurrence of circumstances and risks unknown at the time of planning.

The Report has been reviewed by the Management Board, the ESG Committee, and the Board of Directors of MTS and published on the Company's website.

## Implementation of public assurance recommendations

In order to better comply with the recommendations received as a result of the public assurance of the Report for the previous period from the RSPP Board, we have tried to take into account the indicated factors and took the following actions:

- expanded information on the contribution of subsidiaries to the achievement of sustainable development goals;
- specified the quantitative factors of progress and presented the Company's performance in the context of implementing the ESG agenda;
- expanded the list of indicators disclosed for a period of at least three years and specified their forecast values for the subsequent period;
- defined more clearly the scope of key performance indicators (KPI) and added relevant footnotes where the scope of disclosures is different;
- expanded information on the Company's risk management by adding, among other things, information on climate and human resources (HR) risks, import substitution and infrastructure security issues, implemented and planned mitigation measures;
- identified the impact of digitalisation of services on sustainable social and economic development and the quality of life of users;
- expanded information on how the Company's compliance requirements are met by its partners and counterparties;
- presented data on the contribution of MTS to the achievement of the UN SDGs by 2030, including changes in these data

and relevant progress indicators.

In addition, we have tried to implement the recommendations received during the public assurance procedure at the Civic Chamber of the Russian Federation and, in particular:

- provided the Company's key sustainable development data and performance indicators over the past four years, including, where possible, the relevant calculation methods;
- disclosed the Group's stakeholder engagement procedures and provided information on the Company's response to stakeholder requests and proposals;
- expanded data on the development of the customer service, including the management of requests and feedback;
- specified the pool of tools for determining the ESG practices recommended for scaling and replication.

## Reporting boundaries

The Report contains consolidated data on MTS Group's sustainability activities in all of its key business areas.

Financial and operational performance indicators are disclosed in accordance with IFRS. The consolidated financial statements consist of the statements of the Company and its controlled entities. The list of the Company's main subsidiaries, associates, and joint ventures included in the financial statements is given in the [Annual Report 2022](#).

ESG information is consolidated for the most significant subsidiaries, affiliates, and joint ventures that have a significant social and economic impact on the regions of operation. We have collected the maximum amount of information on many key ESG indicators for 2019–2022, thus responding to the requests of the professional community and stakeholders. This approach also allows us to use the Report as a tool for internal assessment of the effectiveness and efficiency of management processes to ensure better planning and maintain a high level of sustainability.

## Independent assurance of the Report

We strive to improve the transparency of the Company's non-financial statements, so we pay special attention to the methodology for disclosing quantitative and qualitative indicators. The information for 2022 disclosed in the Report was independently verified for the first time, it was carried out in relation to several ESG parameters. The results of the independent assurance are reviewed at meetings of the Management Board, the ESG Committee and the Board of Directors of the Company.

→ For more information about the scope of the assurance, see the '[Independent Assurance Report](#)' section

# DETERMINATION OF MATERIAL TOPICS

GRI 2-25

GRI 3-1

GRI 3-2

GRI 3-3

# 1,882

respondents

↑ a 27% growth

MTS engages with all stakeholders in compliance with the main principles of responsible government – transparency and mutual respect. This open dialogue is our key value. Therefore, among other things, as part of the preparation of the Report, we tried to take into account the opinion and expectations of stakeholders to the fullest extent in order to maintain a balance of interests. Both in managing the ESG transformation and in issuing this non-financial document, we are governed by the principle of materiality. The Company performs an annual materiality assessment in several stages. In 2022, we adjusted our approach to the methodology in accordance with the latest GRI updates. We have disclosed the relevant sections of the Report in accordance with the requests received.

To identify material topics, a working group was created at the Company to bring together sustainability and non-financial reporting experts and employees directly implementing ESG initiatives. After that, we prepared a questionnaire that included 25 material topics on the ESG agenda that would help measure stakeholders' understanding of the contribution of the digital ecosystem to the development of environmental, social, and economic aspects. We asked respondents to rate the Company's impact and assess its level on a five-point scale, both in terms of positive and negative effects. It should be noted that the list includes the topics reflecting the specifics of the Company's operations.

We engage a wide audience in the dialogue, so to conduct the survey we used not only the Company's official website but also popular means of communications, e.g., we invited respondents

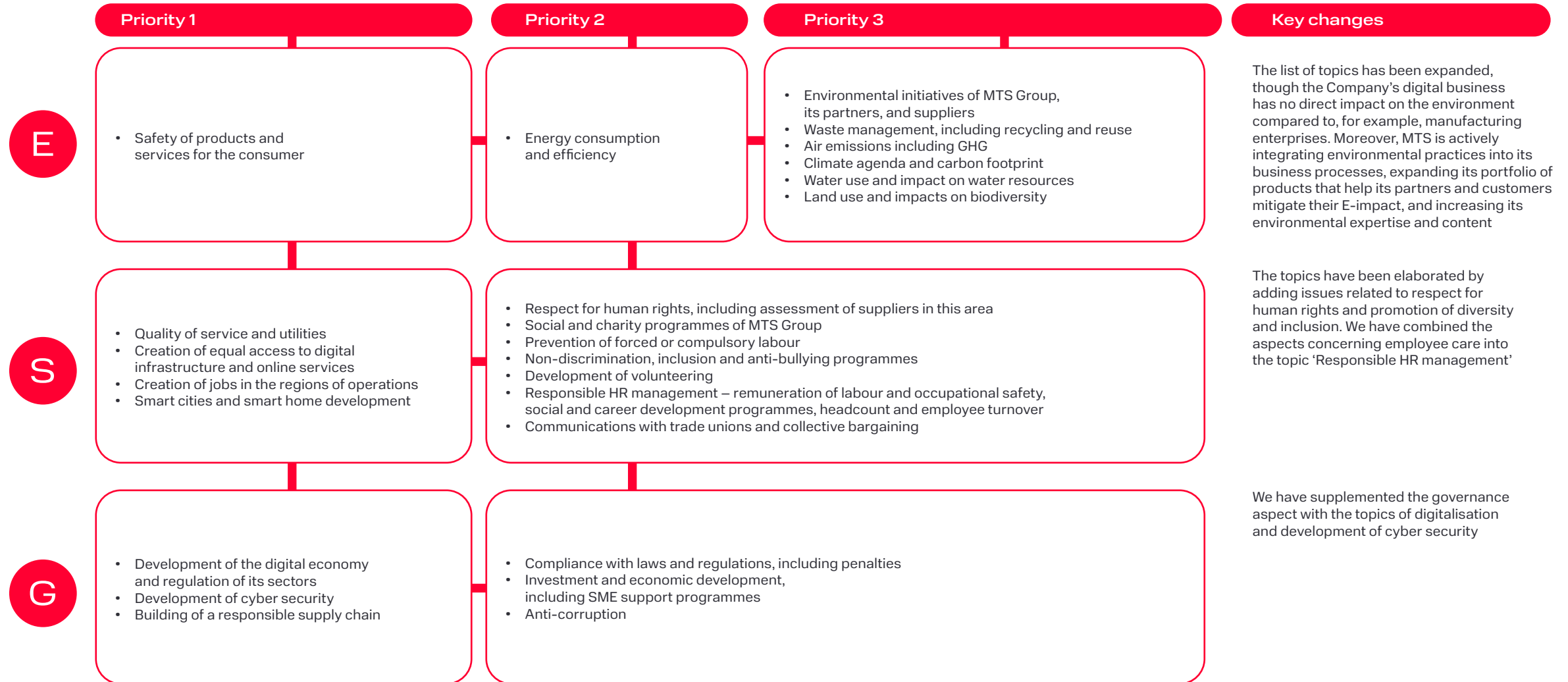
to take part in the survey in social media. We also used targeted interaction through internal online channels for employees. For convenience, we adapted the questionnaire for use on personal computers (PCs) and smartphones.

The survey showed that the interest in the ESG aspects of MTS operations among all audiences is growing, with 1,882 respondents taking part in our survey in 2022 or 27% more than in the previous reporting period. More than half of the respondents were retail users of the ecosystem services (59%). Their number increased by 11% year-on-year.

Based on the results of the survey, priority topics were selected in correlation with the activities of the ecosystem. Environmental issues, as expected, were mentioned as the least important by respondents due to the indirect impact of MTS on the environment.

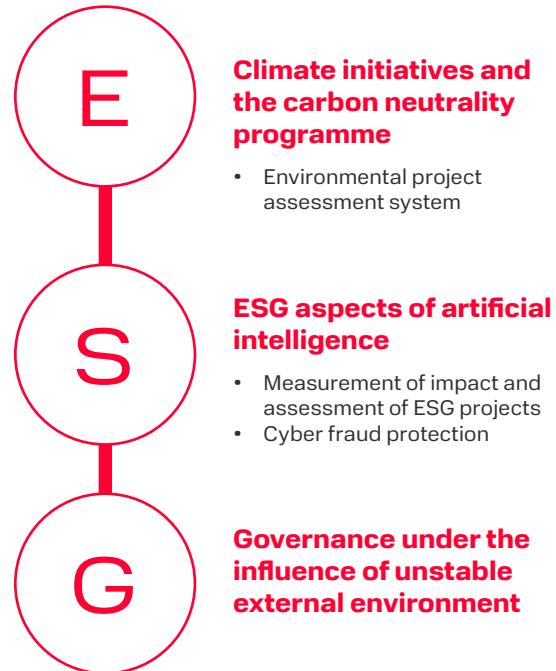


## Ranking of material topics



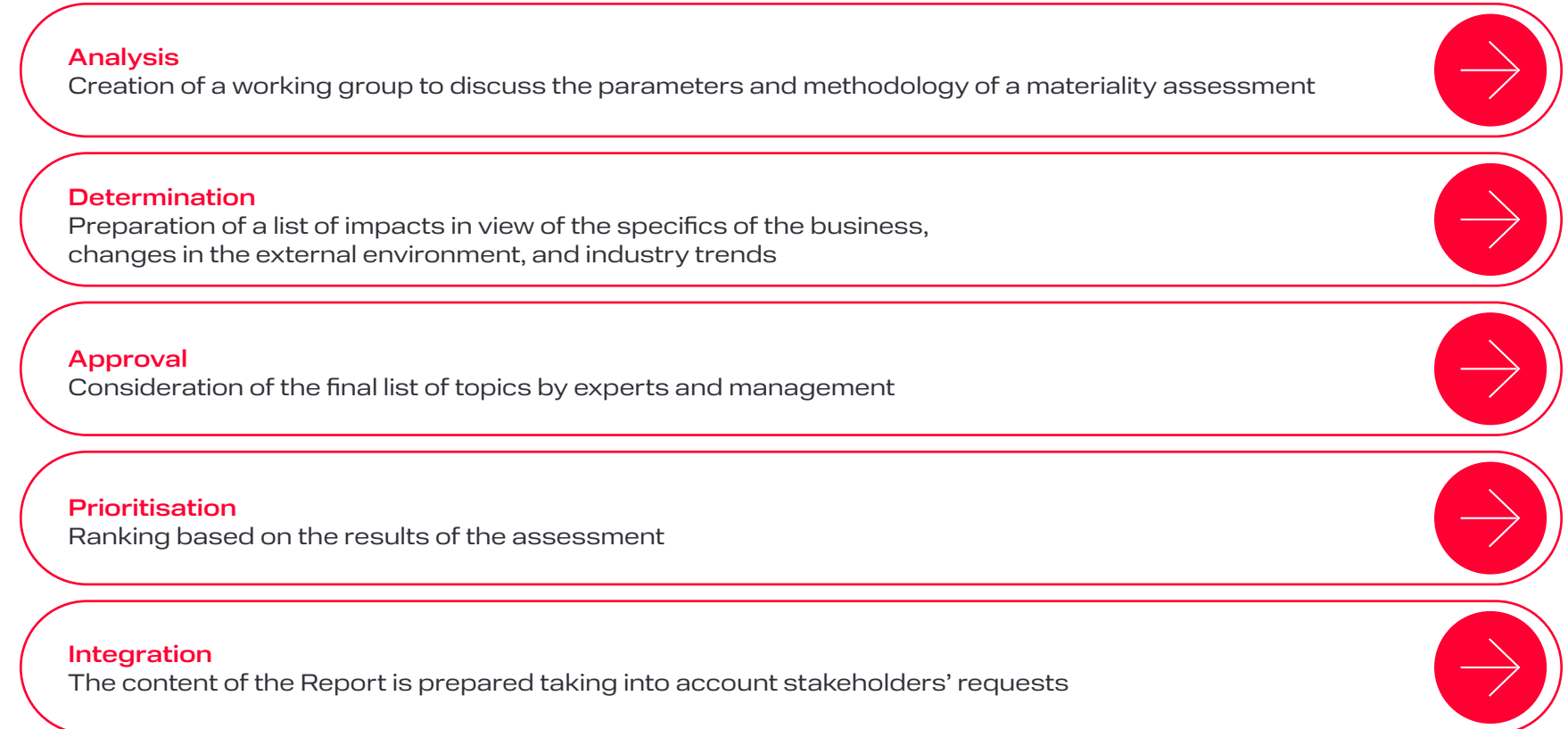
## What else stakeholders want to know about the contribution of MTS

Respondents could suggest additional topics, and they mentioned the following:



We have disclosed these issues in the Report or announced our plans to do this

## Assessment stages and MTS approach to determining material topics



# ESG BAROMETER

## ENVIRONMENTAL RESPONSIBILITY

We improve the energy efficiency:

**5.8**

million kWh

was saved as a result of energy efficiency improvement measures, which is 45% more than planned for 2022

We develop e-waste management:

**350+**

thousand units

of customer equipment were sent for reuse, output – more than 80%

We use resources responsibly:

**8.33+**

thousand tonnes of recyclables

were disposed of in 2022

## DEVELOPMENT OF A DIGITAL SOCIETY

We expand access to digital services:

**98%**

of the Russian population

have access to telecommunication services of MTS (+1% compared to 2021)

We fulfil large-scale social responsibility obligations:

**603.5**

million roubles

was invested by MTS in charity and social projects in 2022<sup>1</sup>

We support the society:

**5,000**

social projects

whith about **20 million participants**

## RESPONSIBILITY TO EMPLOYEES

In Company works

**64,382**

employees<sup>2</sup>

We offer a competitive remuneration package:

**81,326**

roubles

the average salary at MTS Group<sup>3</sup>

We develop the human capital:

**1,000,000**

hours of training

in 2022 (+24% compared to 2021) and

**210 million roubles** of employee training expenses

We expand the social benefits package:

**943**

million roubles

was spent by MTS Group on voluntary health insurance

We improve the comfort of the work environment:

**93%**

level of employee engagement

## RESPONSIBLE GOVERNANCE

We improve corporate governance:

**98%**

of members of the Board of Directors and

**98%**

of members of the Audit Committee are independent directors

We maintain a high level of business ethics:

**97+**

of employees and

**3,200+**

suppliers

were trained in anti-corruption procedures

We support local producers and small businesses:

**57%**

of the Group's suppliers are SMEs and

**98–99%**

are local suppliers

<sup>1</sup> Investments in charity and social projects decreased slightly in 2022 compared to 2021 due to completion of key anti-COVID-19 projects.

<sup>2</sup> The number of employees as at 31.12.2022, including non-staff employees.

<sup>3</sup> The Group's average salary is 24% higher than the average monthly nominal salary in Russia, according to Rosstat.

# DEVELOPMENT OF A DIGITAL SOCIETY



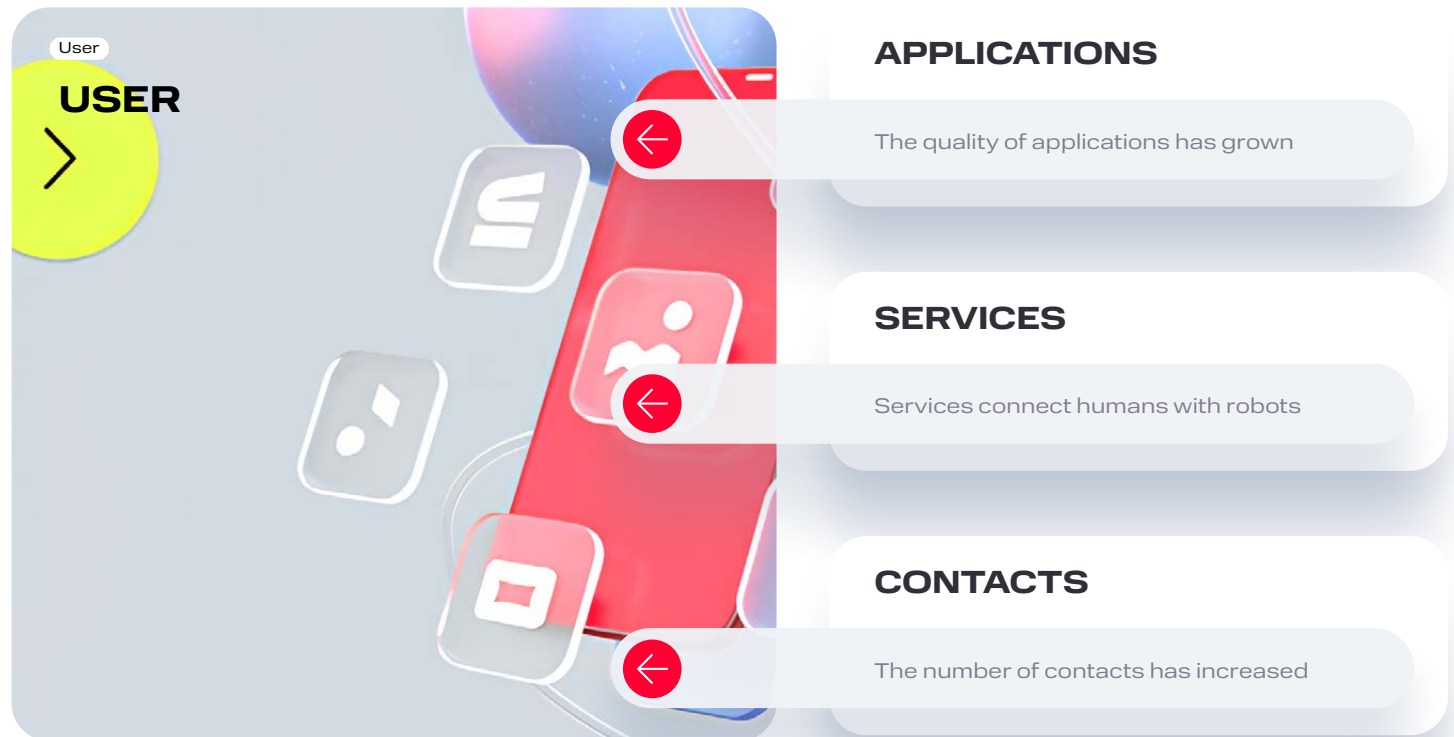
- 13 Providing an Accessible Environment and Services
- 30 Support for Economic Development
- 37 Support for Digital Development of Communities



# PROVIDING AN ACCESSIBLE ENVIRONMENT AND SERVICES

Today, the accessible environment is increasingly seen as the digital space that is accessible to everyone, opening up new opportunities for learning, working, communicating and accessing wide range of services — from educational to tourism. The number and frequency of digital interactions has increased exponentially, most of us now interact with robots, and new digital services are emerging every single day. MTS is ready to stand at the forefront of these changes. To make the digital world accessible to everyone and to make interaction within it easy and convenient, we have managed to bring together a variety of digital services into a single ecosystem. At the same time, we recognise that businesses have also become more demanding when it comes to new technologies — they need innovation and they need help when integrating them. That’s why MTS strives to be a reliable technology partner for individual users, entrepreneurs and corporate customers by way of offering simple, affordable, technologically advanced and secure services.

**MTS becomes a leader in innovation and technology. It creates a digital foundation for sustainable development and expands the accessible environment**



# Development of Accessible Spaces

Millions of people use MTS digital products every day, choosing our services to help them work, play and communicate better. Our mission is to make them accessible, convenient and understandable to everyone, regardless of social status, geographic location or health status.

## Step One: Digital accessibility of products and services

Support, quality expertise, system design and other parts of customer experience — which we call the accessibility principles<sup>1</sup> — help us achieve a new, more inclusive and broader customer experience, where all functional barriers are automatically abolished and all users can easily interact with technologies.

Digital accessibility



### PERCEPTIBILITY

The user perceives the content with the help of convenient for him technologies

Digital accessibility



### MANAGEABILITY

The user can control the interface through using convenient technologies

Digital accessibility



### APPREHENSIBILITY

The user comprehends the content regardless of the way he/she interact with it

Digital accessibility



### SUSTAINABILITY

The interface remains available when product, device, or system versions change

Quote

Executive Director of the So-Edinenie (Co-Unity) Foundation for Support of the Deafblind Persons



Incorporation of accessibility principles into digital products addresses not only the needs of disabled and elderly users, but also the needs of users who suffer temporary or situational limitations. Suppose, a man has had his arm broken. MTS understands the importance of digital accessibility and offers a systematic approach to developing it. The Company's expertise will also be useful to small organisations and non-profit organisations (NPOs) that do not always have enough resources to have a dedicated inclusive practices development specialist on staff.



<sup>1</sup> The accessibility principles are based on the international Web Content Accessibility Guidelines (WCAG). The WCAG is an international standard approved by ISO/IEC 40500:2012.

## Step Two: examining quality of digital products

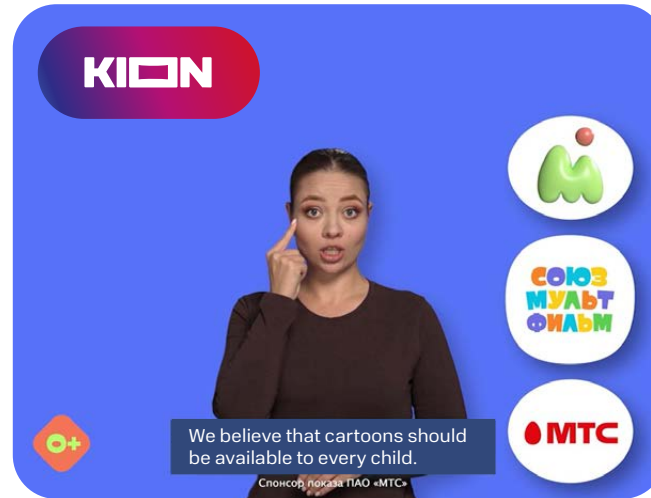
In 2022, we introduced a digital accessibility audit functionality into our quality assessment system. The products are gradually audited and receive reports with recommendations. We have created a dedicated team of inclusive experts (e.g., a blind specialist) who, among other things, test and validate digital accessibility of the Company's solutions.

Product teams are working to adapt online customer service and ecosystem service showcases to digital accessibility requirements: MTS Cashback, KION, MTS Lines, Bank, etc. Thus, by the beginning of 2023, we have adapted 50% of all components of the design system of the MTS ecosystem to the standards of digital accessibility for designers and developers. During the year 2023, we will fully adapt the design system of the Company to comply with digital accessibility standards.

In 2022, we have developed a set of five MTS guidelines for IT developers and product teams. These guidelines provide tips on how to improve services to make them more usable.



→ MTS website on digital accessibility practices: [a11y.mts.ru](https://a11y.mts.ru)



### Translating KION content into Russian sign language

MTS together with the SoyuzMultFilm motion-picture studio and the Multilandia TV channel translated into Russian sign language 40 episodes of the cartoon 'Prostokvashino', as well as animated films about Umka Bear, Cheburashka and his friend crocodile Gena. The current movie collection is available on the [KION Online Cinema website](#). In 2023, MTS plans to launch a full-fledged project to interpret KION online movies into Russian sign language.

Quote

CEO of MTS Media

“

Today, sign language is the primary language of everyday communication for many deaf and hard of hearing people, yet there are very few services and content for this target group. We believe we have a responsibility towards our audience to provide inclusive content. We hope that the new collection will be a pleasant occasion for hearing impaired viewers to enjoy movies nights with their families.

”

We continued to educate our employees on the value of inclusivity — in 2022, we have launched a course to train contact centre professionals on the basics of digital accessibility and DE&I<sup>1</sup>. Almost a thousand employees have already went through this course. After completing this training, specialists acquire needed skills and terminology to properly interact with customers and solve usability problems.

In 2023, we plan to systematise lessons learned and launch a digital accessibility training course for product team digital specialists: designers, web, iOS and Android developers and testers, also for writers and sales people.

<sup>1</sup> DE&I — diversity, equity and inclusion.

## Social Basis of MTS Services

GRI 417-1

Our ecosystem is a pool of differentiated lines of business that facilitate the quality of human socialisation in both offline and online environments.

### JUNIOR

#### MTS Junior Subscription

This is the first subscription for children in Russia. It contains various services for safe communication and use of Internet services for leisure and education.

In 2022, the MTS Junior subscription offers access to an online educational platform LogicLike, which allows young users to solve fun puzzles, take interactive courses and play games to develop logic and brain building skills.

#### MTS Junior ecosystem subscription is...

##### Child safety:

- protection from spam calls thanks to the Defender ('Zashchitnik' in Russian) service
- protection from unwanted expenses when using the Expense Security service

##### Parental reassurance:

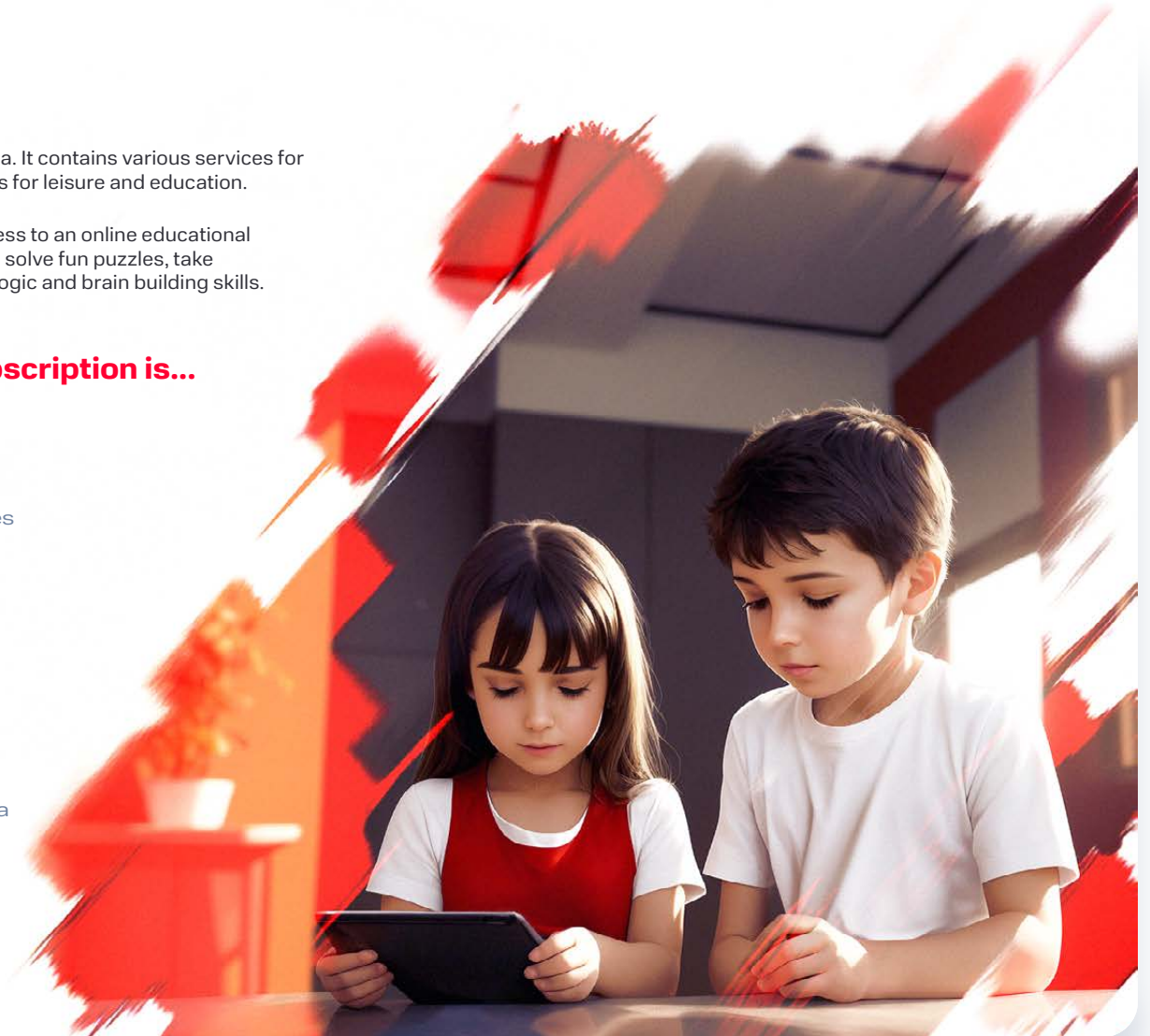
- access to the child's exact location with the help of the Where Are My Children service

##### Secure Content:

- special content selection with the help of Kids Mode in MTS Music
- securely watching movies and cartoons at the KION Online Cinema

##### Evolutive services:

- textbooks and books in the MTS Lines online service
- access to the service LogicLike for the development of logical thinking







**MTS Music**

MTS Music is a streaming platform that ranks among Top 3 in the Russian streaming services market, as well as among Top 5 in the Russian audio services market. MTS Music users have access to hundreds of tracks, podcasts and playlists. Total listening time on the service exceeded 3 million hours per month by the end of 2022, four times 2021. With the participation of local historians and enthusiasts, the platform introduced a section of free audio guides to Russian cities. MTS Guides make it possible to present city visitors and even locals places of interest 'as viewed by local inhabitants'. The service includes a special selection of children's content — the younger generation gets acquainted with informative and interesting content, and parents do not have to worry about the quality and safety of children's content.



**MTS Live**

In 2022, the first federal network of concert venues has been launched: the existing MTS Live Hall in Ekaterinburg was joined by MTS Live Halls in Moscow and St. Petersburg. In total, more than 6.2 million tickets have been sold in 2022. Nearly 3.5 million of these tickets have been sold through MTS ticket offices.

**6.2**

million tickets

were sold in 2022, of which

**3.5**

million tickets

sold through MTS showcases

**MTS Live 2022 projects**



**'The Chess' Musical**

**550**

thousand people

have attended the musical since its launch (about **250,000 in 2022**)

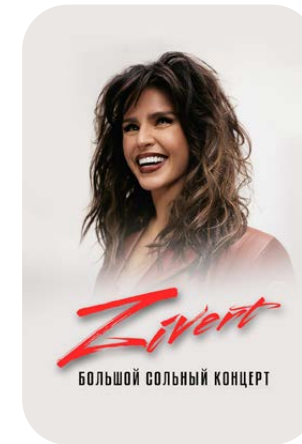


**Musical 'Fear Nothing, I'm at Your Side' by MDM Theatre**

**62**

thousand tickets have been sold

The premiere took place in December 2022 and 58 thousand viewers watched the musical in the first month.



**Singer Zivert's solo show 'Station Love'**

The event took place in Moscow at MTS Live Hall and in St. Petersburg. The project resulted in a documentary series by MTS Live and KION about the singer Zivert. The series includes footage from the show.



**'Wild Mint' Festival with integration of MTS Live application**

The legendary festival featured special zones of the MTS Live Lounge, concerts and a merch raffle moderated by MTS Live Studio artists.

**1,562**  
the works

are voiced using MTS AI



**MTS Lines**

In 2022, we relaunched the MTS Library service in an updated version of the MTS Lines app and publisher. Not only books are available to users, but also podcasts, collections, lectures and more. The service offers exclusive content of books in various genres, unique audio stories and podcasts with top authors, screenplays, translations of best-selling books, lectures and much more. In 2022, we saw a 3.8x increase in unique service users over 2021.

Based on the Audiogram Speech Synthesis and Recognition Platform, we started experimenting with using artificial intelligence to voiceover narration of MTS Lines books. By the end of 2023, it is planned to narrate five thousand works in this format. Currently, 1,562 literary works have been narrated using Audiogram service.

In 2023, we plan to launch an interest-based book community format on the platform. We also plan to introduce a special technology that allows switching between paper media and the app.

**Diversity of content on a single platform**

**2.5**  
hours per week

is spent by users on the app

**Subscriptions and personalised recommendations**

**45%**

increase in book reads in recommendations and selections

**Access to content in a variety of formats**

**52**  
eBook titles

and **142 pieces** of audio content released in 2022

**Subscription-based access for customers of any mobile operator**

**22%**

subscribers of other operators



**AppBazar App Store**

In late 2022, MTS launched the first domestic app store AppBazar for Russian and foreign developers in test mode, as access to a number of applications from Russian developers has been limited. Currently, more than 50 companies have hosted over 100 apps in the store.

Through the store, users will be able to download a variety of apps. Developers will get the opportunity to monetise their apps through sales, in-app purchases and subscriptions. Apps hosted on AppBazar are completely safe and undergo three stages of verification:

- antivirus scan from Kaspersky Lab;
- functional tests of Android smartphones of different manufacturers and architectures;
- content security verification of an application or a game.



**GOGYM**

MTS continued the development of a sharing service which provides the opportunity to work out at various fitness clubs, studios and spas without a membership card. By the end of 2022, more than 400 partners in 30 Russian cities have joined the service. In the past year, the number of workouts through the service has increased 12-fold, and the total amount of time that users of the service have spent exercising has reached nearly four years.

**400+**  
partners

were connected to the GOGYM by the end of 2022



**KION**

In 2022, the number of KION's Online Cinema viewers exceeded 6.6 million, an increase of 63% over the previous year.

**82%**

average level of viewability of original KION projects

**7.8**

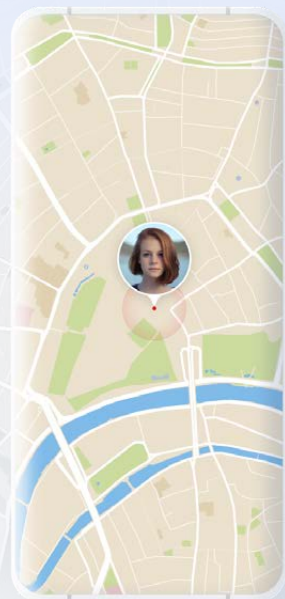
average rating of original KION projects

In 2022, we have produced 55 titles of original content in various genres, addressing socially relevant issues — problems of inequality and social justice, the crisis of traditional social institutions, etc.



**MTS Search**

This is a service that allows you to find the location of your loved ones on a map. MTS users can now access this service via their personal account and My MTS app on Android phones.



**MTS Travel**

MTS Travel hotel booking service in Russia, Turkey, CIS and distant foreign countries offers cashback for every booking. Cashback can be spent on gadgets, communication and other services of MTS and its partners.

For the development of its hotel business, the Company has acquired the Bronevik (Armour) service, Russia's largest consolidator of travel offers, which has direct contracts with more than 50 thousand accommodation facilities in 4,000 locations.

Bronevik's content is used by the largest Russian travel showcases (Ostrovok, Yandex.Travel, Tutu.ru, OneTwoTrip and others), business travel agencies, federal and regional tour operators and other partners.

Supporting regional tourism is also part of MTS Travel's strategy. Last year free online guides to Russian regions appeared on the MTS Travel platform, and in 2023 we plan to publish dozens more of such guides.

**50 thousand**

placement objects are connected to the service

**Quote**

CEO of MTS Travel



In response to the turbulence in the travel market, MTS launched its own hotel booking service within the MTS ecosystem. After Western booking systems left the Russian market, travellers lost an important tool for managing their trips. Technologies, mass product experience and capabilities of the MTS ecosystem enabled us to create a high quality booking platform: MTS Travel provides customers with a wide range of hotels and guaranteed occupancy. We also offer a variety of travel savings options, making travel experience more affordable.



# Customer-Oriented Service



GRI 3-3

The user is at the centre of the MTS ecosystem. That's why we are evolving in the field of service maintenance on a large scale and working on processes of interaction with users.

To create a positive customer experience, the Company has implemented a 100% omnichannel approach. All communication channels are integrated into a single system. The MTS Support Service gathers and evaluates information in all formats, and communication process for the customer continues from where it left off.

An omnichannel approach builds communication not with individual employees, but with an identity that 'remembers' the customer journey and offers customer-focused approach. This approach saves time of the customers and makes their interaction with that identity as convenient as possible, increasing service quality and customer loyalty.

Quote

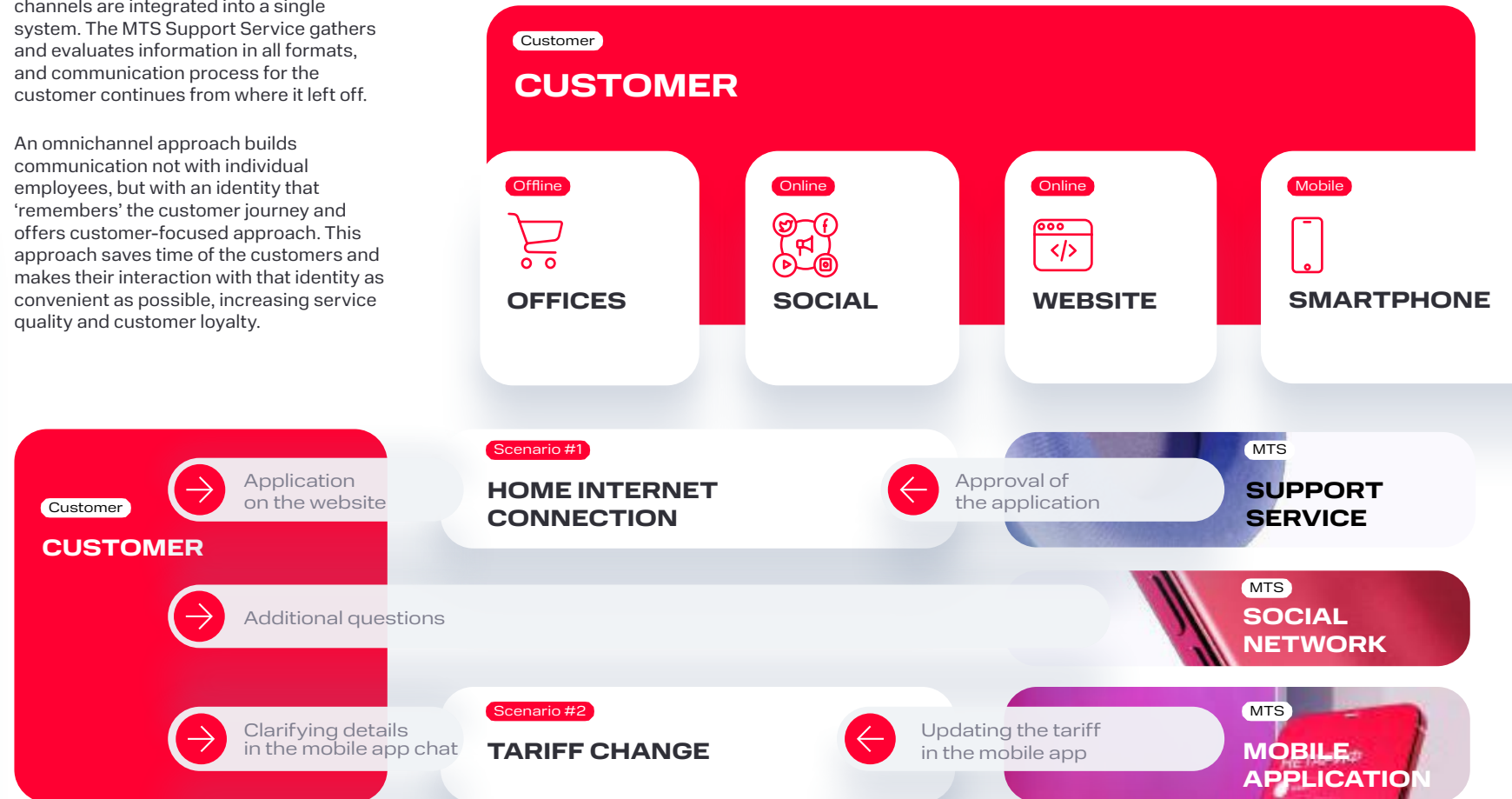
MTS Vice President for Customer Experience and Service



We've built a system of interaction and constant dialogue with customers, including our own digital expertise, big data analytics and IT developments, that helps us to timely understand and even anticipate customer needs — this is our strength and competitive advantage. MTS aims to make sure that every user is satisfied with the results of interacting with the Company and will recommend our products to others.



## Omni-channel communication



**Customer channels**

MTS provides its customers with multiple contact and service channels. Customers interact through retail outlets and offices (26% of all contacts in 2022), as well as call centres (58%) and chatting in apps (16%).

In the reporting year, stable growth of calls via the digital text channel continued — users of MTS Fintech services used this tool in 42% of cases (+15% compared to 2021); the number of chat calls on MTS Mobile Business services increased from 9% to 16%.

After a pandemic-induced spike in 2020, call centre voice workloads are gradually declining.

**Universal self-service tools**

To help customers manage their own phones, services, tariff plans and accounts quickly and conveniently, we provide self-service capabilities.

**MTS PERSONAL ACCOUNT**

**MY MTS APPLICATION**

**MTS SERVICE \*111#**

**MOBILE ASSISTANT**

→ For more information on the Company's channels of interaction with customers, see the **'ESG Dashboard'** section

**To improve the service quality in 2022, we:**

**For the customers**

- inform about writing off amounts and changes in tariffs
- improved customer debt notification scheme: optimised number of SMS, simplified texts and added PUSH notification service
- introduced remote sending of documents by customers
- launched a pilot project to authenticate customers in MTS stores using biometrics
- implemented seamless service in call centres — operators receive full call information when transferring the call, so that the customer does not have to repeat his / her question
- launched a system to keep customers informed of the status and timing of decisions on their requests
- automated bonus accrual

**For the team**

- reinforced product teams with quality control experts
- optimised service interfaces and increased customer satisfaction by conducting 47 customer journey audits across multiple products
- launched a training course for employees on 'How to Improve the Customer Experience with CJM'
- started developing the Unified Ecosystem MTS Customer Card, in which it will be possible to store complete information regarding the customer in the MTS ecosystem
- developed a knowledge management system. More than 20,000 employees use it monthly to find the information they need to respond to customers or perform an analysis
- completed the toolkit for call centre operators, with 50% of the workforce now working in a fully remote environment

**For business processes**

- increased the percentage of analysed customer interactions using speech and text analytics tools from 1 to 20%. Anonymised data collected is used for improvement of the quality of service channels
- are developing Smarty, an intelligent chatbot that can independently serve customers without the need for employee intervention. With the participation of the MTS Artificial Intelligence Centre, we have implemented a pilot project in a number of regions for a voice bot assistant for contact centre operators, which initially handles an incoming call, routes the customer journey and collects feedback
- are developing a tool for technical diagnosis of fixed line customers (Inetcore). Now the customer can solve technical problems via self-service systems
- launched an automated system for testing tariff plans and services to identify failures in their operation. Consequently, the volume of tested processes has increased to more than triple

In 2023, we plan to expand the voice bot project to the entire customer service by increasing the percentage of analysed dialogues in contact centres to 100% and running a pilot project of voice analytics in MTS stores.

## Level of Customer Satisfaction

The quality of services we provide allows us to maintain a high level of customer loyalty and satisfaction. We analyse customer feedback at all stages of his or her journey. Once analysed, actions are taken, including organisational and technical modifications, and the results are tracked.

To monitor customer satisfaction level, we use the NPS Customer Loyalty Index<sup>1</sup>. In 2022, while other areas remained stable, MTS Fintech's NPS increased by 10 p.p.

We use the tNPS Loyalty Index to measure how many people are using a given product or service. During the year, we increased the tNPS Loyalty Survey reach for our digital products by 89%. In 2022, tNPS surveys have been launched in a number of IT subsidiaries. In 2023, we will continue the unification and scaling of tNPS surveys across ecosystem verticals.

<sup>1</sup> Net Promoter Score.

## Loyalty Programmes

It is very important for us to offer the best conditions to our customers, and that's why we have developed the MTS Cashback and MTS Premium loyalty Programmes.

In the MTS Cashback Programme, customers receive cash back for using MTS services and spend it on everyday purchases, entertainment, payment for MTS products and services, including mobile communications.

MTS Premium subscription is also a money saver for customers, as the ecosystem services included in the subscription would be much more expensive to purchase separately.

Loyalty Programmes not only serve as an effective tool for bringing new customers into the MTS ecosystem, but also increase satisfaction level of our existing customers by providing them with additional benefits.

**70%**  
of MTS customers  
are ready to try new products offered by MTS and partners' ecosystem

**3 billion roubles**  
in cash back have been spent by users on the purchase of services of MTS and its partners in 2022

MTS Premium subscription includes a new service called **MTS Lines** — subscribing to e-Books

## MTS CASHBACK

A loyalty Programme aimed at strengthening of ties between various verticals in the ecosystem. This Programme is integrated by default into all MTS products and storefronts.

It allows to spend accumulated savings, as provided for by the Programme, for mobile or ecosystem services.

**x 2.3**

the number of Programme participants grew to 37 million



## MTS PREMIUM

Unique subscription to all key ecosystem services.

Provides access to MTS services for a reasonable fee — gigabytes of Internet, movies, books, music, increased cashback, spam call protection.

**+71%**

growth in the number of subscribers



## Digital security



- GRI 2-27
- GRI 3-3
- GRI 418-1
- TC-IM-220a.1
- TC-SI-220a.1
- TC-TL-220a.1
- TC-IM-220a.2
- TC-SI-220a.2
- TC-TL-220a.2
- TC-IM-230a.2
- TC-SI-230a.2
- TC-TL-230a.2

Keeping customer data secure and systems and equipment running smoothly is fundamental to guarantee the responsible digital development. Our Company uses a multi-layered system to protect customers against cyber threats, fraud and spamming.

The security of user data is our priority. We provide retail customers with a high level of protection of personal and financial data. To avoid being targeted by scammers, users can also use anti-spam services. Based on its accumulated protection expertise, MTS provides its corporate customers with advanced Information Security (IS) services. In 2022, we have established a cyber security subsidiary within the Group — MTS RED — for the development of our information security product line.

→ For more information on the MTS information security management system, see the **'Information Security'** section

<sup>1</sup> Levels of protection are defined in Resolution of the Russian Federation Government dated 1 November 2012, No. 1119 'On Approving the Requirements for Protection of Personal Data During Processing in Personal Data Information Systems'. The third level of security is understood as a composite indicator that characterises the requirements, implementation of which ensures neutralising certain security hazards connected with processing personal data in information systems.

### Protecting Customers' Personal Information

MTS is committed to responsible handling of personal data of its customers, business partners and employees. We care about customers' security: we detect unauthorised access to personal information, prevent computer attacks on information systems and respond to incidents, conduct internal fraud controls and train employees on the rules for handling customer information. Our personal data protection system ensures the third level of security<sup>1</sup>.

The principles and procedures for handling personal data at MTS are set forth in the MTS Personal Data Processing Policy and associated instruments of its subsidiaries. Customers' personal information is protected by multiple security loops — no one employee has access to all types of data at once. At the same time, each employee is responsible for adherence to rules of personal data processing. In this way, we can ensure the confidentiality of information and minimise risks associated with personal data processing.

During 2022, we have updated our personal data processing processes and in-house regulations to comply with the latest legal requirements.

**In 2022, there were no material losses or litigations related to privacy or personal data breaches**

Basic rules for handling personal data and confidential information are regularly communicated to employees. In 2022, MTS employees took special training courses at the MTS Corporate University:

**32,070**

were familiarised with the rules of personal data processing

**8,352**

took a course on handling confidential information

**3,412**

have additionally selected and completed a training course on information security basics

**Information protection system has been created and developed taking into account international best practices based on ISO 27000 international standards**

**Antifraud — Fraud Management**

TC-IM-230a.2 TC-TL-230a.2 TC-SI-230a.2

MTS prevents intruders from stealing customers' personal information and money.

The Company has a separate department responsible for monitoring, analysis and prevention of all types of fraud: it detects cases of telephone fraud, suspicious financial transactions, internal Company fraud and other types of illegal actions.

**Partnership initiatives to prevent fraud**

MTS continuously exchanges information on fraudulent activities and threats in the credit and financial sector with computer emergency response team of Centre for Interaction and Response to Computer Attacks.

To contribute to the efforts to prevent telephone fraud, the Company has also joined Anti-fraud platform.

**6+** million calls per day on the Anti-fraud platform

**How MTS improved anti-fraud performance in 2022**

We have launched an additional machine learning module in the detection system. The purpose of the system is to avoid cases of internal fraud. The system performs continuous monitoring to detect fraudulent use of subscriber data and its disclosure to third parties and also prevents unauthorised replacement of SIM cards

Anti-fraud system functionality aimed at preventing automatic registration and sale of accounts has been introduced

Based on the Intellinx anti-fraud system, a control procedure has been implemented to prevent illegal transit of customer funds, and transaction fraud prevention technology has been introduced for the [payment.mts.ru](https://payment.mts.ru) online storefront

Control procedures have been carried out on the anti-fraud systems of MTS in such fraud trap doors as GSM gateways, automatic account registration, spam, traffic generation, reckless use of services, international revenue sharing fraud, fraudulent calls to high-cost destinations, etc.

We have been further developing the Hexagon IS anti-fraud system for fraud prevention in communication networks; in particular, the Voice Anti-Fraud service has been extended to include the function of combating SMS bombers

**Results obtained**

Machine learning algorithms made it possible to process large amounts of data in real time, determine transaction probabilities and block transactions

SMS from A2P (Application-to-Person — automatic conditional dialing) numbers concerning registering on a fraud account are detained

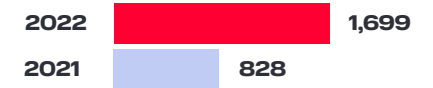
These measures helped us to save the customers' money in the amount of **94 million roubles**

As a result of implementing control procedures, MTS identified **1.3 million fraud cases** and prevented **237.4 million rouble** loss

- The system prevents **~50 million calls** per month of illegal traffic using caller ID spoofing
- **~100 million calls** per month of illegal international traffic from affiliated operators were blocked
- The launch of the system allowed to prevent **~4.5 million rouble** loss every month

Results by key areas of fraud prevention

**Subscriber fraud revealed, thousand cases**



**Financial transactions verified, million**



**Processed to detect illegal traffic termination<sup>1</sup>, billion**



**415.8** million rouble

loss from subscriber fraud have been prevented (growth x2.6 in comparison with 2021)

<sup>1</sup> Making international calls disguised as domestic calls, bypassing the operator's system — the fraudster profits from difference in tariffs.



**ANTI-SPAM SERVICES**

Defender service against spam calls



The Company provides basic protection to all subscribers from unwanted calls. Instead of receiving a call from an unknown number, the customer receives an SMS notification of such a call with an option to listen to the message. Database of unwanted phone numbers is being replenished on an ongoing basis with the help of Big Data technology.

In 2022, we have launched a special service — MTS Defender — which helps resist spam calls. Suspicious calls are transferred to a bot, and the subscriber receives a text transcript in MTS app. If the caller left a voice message, the service transcribes that message and displays it to the subscriber. Users can whitelist blocked numbers themselves.

Defender’s functionality is enhanced with MTS AI’s Audiogram artificial intelligence-based speech recognition solution.

During the year, we have integrated MTS Defender into popular tariffs and business plans. We have also made that service part of MTS Premium ecosystem subscription.



In MTS Premium subscription, this service ranks first in terms of popularity; by the end of 2022, the number of users of the service increased by 84% — to 7.2 million.

**In total, MTS blocked more than 2.1 billion unwanted calls in 2022, which is 2.5 times more than it did in 2021**

SMS Spam Protection

The system of protection of MTS subscribers from spam SMS messages is in constant operation. In 2022, it processed more than 9.1 billion SMS messages and blocked more than **578 million** advertising and fraudulent messages.

To expand the basis for blocking, we have facilitated integration between SMS spam protection and anti-fraud systems during the period.

**DEFENDER IS A DEMANDED TECHNOLOGICAL SERVICE BY MTS**

**64%** of Russians have received spam calls in the last 30 days

**#1** ‘Defender’ among the products used in MTS Premium

**75%** of spam calls to a subscriber are blocked by the Defender on average for a month

**57%** of the NPS of the Defender service among users

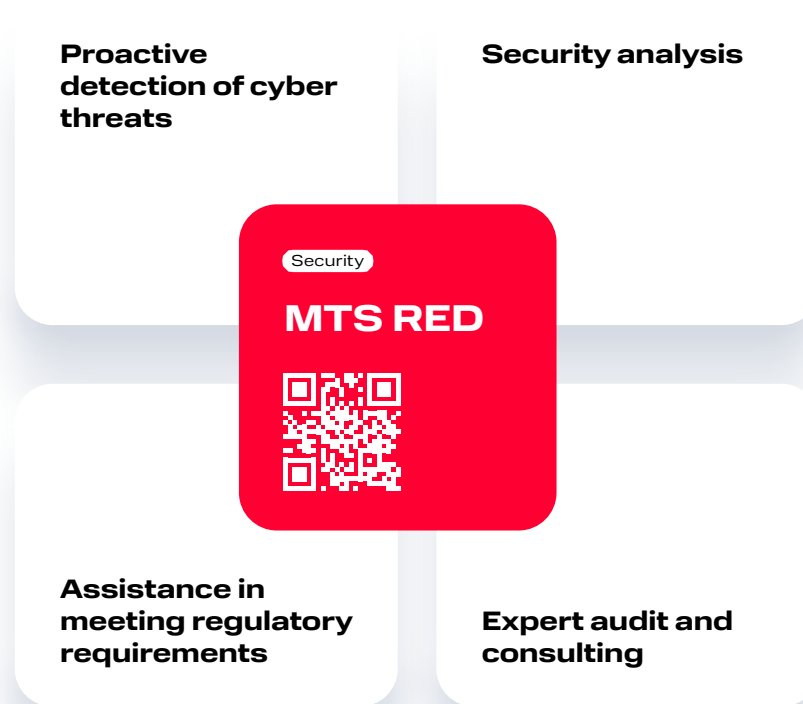


**Business Solutions**

- TC-IM-230a.2
- TC-TL-230a.2
- TC-SI-230a.2
- TC-IM-000.C
- TC-SI-000.C

Information security is one of the factors that contribute to business continuity. At the same time, in 2022, Russian companies faced serious cyber security challenges: a multiple increase in the number and intensity of cyber attacks, personnel gaps, exiting foreign software and security solutions vendors from the market and related legislative restrictions.

Responding to new challenges, MTS successfully restructured its internal processes and, drawing on this experience, began to develop cyber security products and services for business, contributing to qualitative replacement of foreign products for corporate market.



MTS Group's effective and longstanding information security protection experience allows us to rationally use valuable technologies. Based on this, we have begun expanding our information security services on external customers. In 2022, MTS created a subsidiary — MTS RED — to launch commercial cyber security products, including both proven services and unique cyber security developments.

MTS RED is planning to present an open cyber security platform that will bring together in a single showcase all services and products needed to protect information, even from a single personal account. The platform will be instrumental in reduction of financial cost and time associated with cyber security for companies and partners.

We achieved the following results in 2022.

Turnkey NDAs (non-disclosure agreements)

**1,289**

non-disclosure agreements negotiated

Information protection system architecture design

**440**

requests processed

Assessment of products' compliance with information security requirements

**150**

digital product IS compliance assessments

Security analysis of information systems

**37** access audits conducted

**260** system and **490 thousand** accounts analysed

Information categorisation

**421** information systems have been categorised

MTS SOC information security incident monitoring and response

**+7** new customers in 2022

**22** external customers

## The path to cyber resilience

Continuous scanning for vulnerability threats, rapid detection of threats and incident response are critical to provide the resiliency of Company's IT infrastructure and business processes. In charge of this task is the Security Operations Centre (SOC) that relies on the competence of specialists, well-established processes and advanced cyber security technologies. Building a SOC in any organisation requires significant time, money and expertise. A price for mistakes is high, as a critical incident can lead to significant financial and reputational losses.

MTS SOC has been successfully employed in MTS Group companies since 2005, and, beginning from 2017, the service of monitoring security events and responding to incidents is offered to other companies.

### BENEFITS OF OUR MTS SOC:

- ✔️ **domestic software**  
in the SOC core

**24/7/365**  
threat analysis mode

**150+** monitoring engineers  
make up the complement MTS RED team of experts

**15+** years  
of experience of the country's telecom market leader  
in the field of data protection

**60** minutes  
to respond to a critical incident

**4+** billion  
analysed events per day

**20+** MTS SOC analysts

**MTS is licensed to provide services for technical and cryptographic protection of confidential information and monitoring of information security events**

## Network infrastructure



Developing the availability of digital services is one of MTS' major strategic priorities. MTS continues to improve the quality of its communications network infrastructure, enabling users in remote communities to stay connected and enjoy digital services.

**An important contribution to the development of a digital society is the improvement of the quality and accessibility of communication services**

In 2022, thanks largely to the earlier launched SmartRollout Programme, we were able to maintain the continuity of business processes for development and maintenance of communication networks and high quality of network performance amid massive changes in supply chains. Artificial intelligence determines the most efficient locations for construction and upgrading of base stations based on 500 parameters, including technical parameters of network load, data transmission speed, subscribers' needs and behaviour, places of their concentration, capital and operating expenditures of the Company, competitors' strategies, data on urban planning, development of transport and social infrastructure and a host of other indicators.

### Evolution of LTE (4G) networks

In 2022, more than 12 thousand 4G base stations have been deployed. This represents 11% of all active networks.

The main increase in the number of stations undergoing upgrades was in Russia's major regions, with the Krasnodar Territory and Moscow at the top of the list.

In the year 2022, MTS continued the implementation of the project on redistribution of frequencies of networks of outdated 2G/3G standards in favour of the fourth generation networks. The result has been the most efficient use of available network resources and delivery of quality services to subscribers. By the end of the year, the project has been implemented in more than 30 regions.

**12,000**

4G base stations have been deployed

**+5.3%**

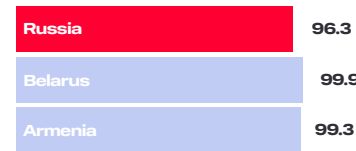
subscriber base growth in 2022 driven by increased converged product penetration

**111.2** billion roubles

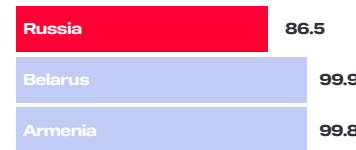
capital expenditures of MTS in 2022

### Network coverage of the population within the footprint of MTS in 2022, %

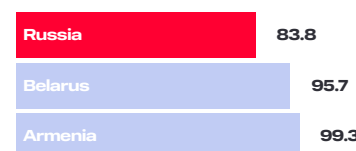
## 2G



## 3G



## 4G



**RADIOPHOBIA** is a phenomenon which is on the rise in the modern world. People are afraid of various sources of electromagnetic radiation and concerned about their location near residential areas. Negative effects of cell towers on people's health are often cited. As a Company committed to corporate social responsibility, MTS is concerned about growing uproar surrounding this issue. It is worth noting that there is currently no scientific evidence of negative human health effects from cell phones.

Designing and constructing MTS base stations is subject to preliminary approval by Rospotrebnadzor. We strictly adhere to the standards for maximum permissible level of electromagnetic radiation in places where people work, namely 10 µW/cm<sup>2</sup>, which is one of the most stringent requirements in the world. In addition, MTS conducts additional testing of cell sites to determine if radiation levels exceed standards and Sanitary Rules and Regulations.



## Network development in Transportation

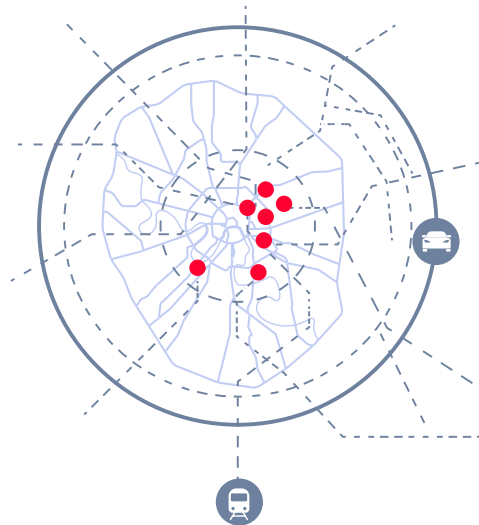
MTS continues to expand its network in places characterised by increased human mobility. In 2022, we worked to develop communications networks in metros of Russian cities, along railways and on federal and regional-aid highways, so that people can stay connected on the move.

### Expansion of the metro system network

- Moscow**  
70% of metro tunnels are covered by LTE1800 and LTE2100 networks  
Networks have been modernised in 168 out of 241 running lines  
Data transmission speed for subscribers increased by 76%
- Saint Petersburg**  
47 out of 63 metro stations are equipped with their own fiber optics  
51 out of 67 running lines are within the coverage area of MTS networks
- Novosibirsk**  
3 metro stations of Dzerzhinskaya Line are equipped with transmitting cable  
2 out of 8 running lines of Leninskaya Line are equipped with transmitting cable
- Kazan**  
The equipment for a new Dubravnyaya station has been installed and started operating
- Krasnoyarsk**  
The technical solution for the organisation of mobile communications at two new metro stations has been sent to the Ministry of Digital Development
- Minsk**  
3G and LTE coverage is available at stations and stages of the first and second metro lines, at commissioned stations and stages 3G coverage is provided on the 3rd line

## Development of the network along railroads and highway

**CENTRAL RING ROAD**  
In the year 2022, 11 2G/LTE base stations have been built along the A-113 highway of the Central Ring Road. The most important parts of the highway are located within the coverage area of the MTS networks.



**Main transportation directions railway routes**  
Between 2019 and 2022, 486 2G/LTE base stations have been built along the rail routes in popular travel destinations.

## NB-IoT 'Smart Network'

MTS continues to develop the network of the Narrow Band Internet of Things (NB-IoT), which enables data to be transferred between devices, allowing sensors to operate for up to 10 years without changing batteries. In 2022, MTS announced the completion of the largest national Narrow Band Internet of Things network in all regions where it operates. By the end of 2022, MTS was servicing 14 million telematic SIM cards. At present, the devices are used in such areas as property security, transportation and residential real estate, financial sector, housing and utilities, as well as in GPS/GLONASS equipment and tachographs.

- Fixed networks**  
In 2022, MTS continued to implement a fundamental programme of creation and modernisation of fixed networks:
- more than 500,000 households have been covered;
  - more than 900,000 households have been upgraded;
  - the number of settlements with Internet access speeds up to 1 Gbit/s increased to 133;
  - the total length of the network in the metro area by the end of 2022 amounted to 47,700 metres — 1,500 metres more in comparison with the previous year.

The Company expanded the coverage of fixed telecom services to 15 regions by building networks in new cities of its presence — Yakutsk, Salavat, Sarlitamak, in the Magadan Region, in Stary Oskol of the Belgorod Region, major district centres of Dagestan, and through partnerships with local operators in Krasnoyarsk, Kansk, Zelenogorsk, Minusinsk, Zheleznogorsk (Krasnoyarsk Region), Abakan, Chernogorsk, Sayanogorsk (Republic of Khakassia), Bratsk (Irkutsk Region), Yelets (Lipetsk Region) and others.

- Two FVNO<sup>1</sup> projects have been launched in the cities of Omsk and Khabarovsk (480+ thousand households):
- the project in Omsk has been commercially launched with mono broadband/mono convergent services (without TV);
  - the project in Khabarovsk has been commercially launched with mono/DP/convergent services.

**133** Russian cities, including Moscow and Moscow Region cities, are now covered by the 1Gb network

**47,700** metres total length of the network in the metropolitan agglomeration by the end of 2022

<sup>1</sup> The FVNO model is the use of the broadband operator infrastructure by a partner who does not have its own network — in a specific region or in the perimeter of the Company as a whole.

**Development of convergent subscriptions**  
In 2022, MTS expanded the geography of the partner programme by 10 regions. The programme provides convergent subscriptions in settlements where MTS does not have its own fixed network. Customers will be able to remain subscribers of their home communication service provider while enjoying all the benefits of MTS convergence with payments for all mobile and fixed communications services through a single personal account. In 2022, we have increased the minimum speed of Internet access to 200 Mbps and expand geographic coverage of tariffs with home Internet speed parameters up to 1 Gbps in almost all tariff plans and subscriptions, taking into account the modernised capacity of the fixed network.

# SUPPORT FOR ECONOMIC DEVELOPMENT

We assist in expanding the country's Regional digital infrastructure by proposing innovative technology solutions for various businesses and industries.

## Digital Infrastructure Enhancement



### Digital Solutions for Economic Sectors

#### Advertising? — MTS Marketer

MTS Marketer is a service designed to autonomously launch targeted mailings and advertising in the network. The service is based on depersonalised Big Data, which enables to demonstrate ads only to the intended audience. In 2022, pilot generative banners and SMS were introduced to increase conversions through personalised images and text.

**73%** increase in the number of new customers in 2022

**115%** increase in the number of digital campaigns launched as part of the service

#### MediaScout

Starting from 1 September 2022, advertising providers, advertising distributors, and other platforms posting promotional content are obliged to submit web advertising information. Only specifically accredited advertising data operators (ADOs) are authorised to collect and consolidate information. The MediaScout digital advertising data service offered by MTS is accredited as an advertising data operator to work with the Unified Internet Advertising Register.

According to the Association for the Development of Interactive Advertising, MediaScout is recognised as the most popular ADO: **48% of the market actors surveyed make use** of the MTS service.



→ MTS Marketer



→ MediaScout

#### Industrial Safety? — Dedicated Networks for Enterprises

MTS holds the largest share in projects of dedicated (private) LTE networks in Russia. It deploys such networks for mining, energy, and metallurgical businesses. For example, dedicated LTE networks enable to optimise ore loading and movement of open-pit vehicles and machinery and to improve industrial safety. Major projects were implemented in the Lipetsk, Belgorod, and Murmansk Regions and in the Republic of Karelia.

#### Logistics? — MTS Coordinator

Using the AI-based MTS Coordinator app, corporate customers may easily arrange efficient operations of their field personnel — sales representatives, couriers, drivers, technical support engineers. In addition, the service makes it possible to customise and analyse the fleet logistics. The system automatically distributes pre-arranged trips considering the work schedule, while a dispatcher monitors personnel movement online. The app is also used in healthcare to robotise the logistics of doctors' visits and load. In addition, it allows to proactively build an optimal route for visiting patients.

**33%** increase in the number of new connections to the MTS Coordinator service

**9 cities** where the service to automate doctors' operations premised on MTS Coordinator is deployed



→ MTS Coordinator

Quote

MTS First Vice President of Telecommunications Business



With the advancement of technologies, many highly demanded digital services appear next to telecoms. Digitalisation adds to telecoms' role as an immediate communication channel for individuals and businesses and to our obligations to extend and support its infrastructure. Therefore, it is specifically MTS, a company with a strong telecoms pillar, that may become and is becoming a perfect technology partner for rendering affordable, high-tech and secure digital services. We work hard to make the sector really cool and innovative. To do so, we decided to change the DNA of a conventional TELCO company and transform into a TECHCO company. This is how telecoms 2.0 technology is coming into being on the new digital scene to orchestrate all communications.



**Finance? — MTS Fintech**

In 2022, MTS Fintech focused on enhancing financial services for retail and business markets: retail lending, mobile commerce, investment services, acquiring, and products for small and medium-sized enterprises (SMEs). In 2023, we expect to expand our active customer base in card products, introduce new partnerships, improve and create new digital products.

**Customer lending**

**60+** partners

are connected to the customer lending app for online marketplaces

**80%**

of general-purpose loans were extended remotely, without visiting offices

**Daily banking**

**+64%**

increase in turnover of user payments and transfers worth **342 billion roubles**

**Acquiring and mobile commerce**

**+58%**

amount of processed transactions increased to **186 billion roubles**

**10,000+**

retail outlets are connected to acquiring

**350+**

new retail and service outlets that accept payments by phone number

**Smart City Solutions**

In 2022, MTS commenced migrating the MTS IoT Hub platform to its proprietary software. The migration will provide for a smooth and consistent operation of products and a technology sovereignty in developing Internet of Things (IoT) products.

**Comfortable environment**



**Efficient management**

- Contribution of individuals to home and urban life →
- Smart waste management →
- Smart parking lots →
- Housing and utilities monitoring →
- Smart lighting →
- Video analytics →
- Telehealth →

- ← Transport monitoring
- ← Environmental monitoring
- ← AI-aided vehicle operation
- ← Control over special machinery and unmanned machinery



**MTS consolidates solutions for a variety of urban spheres**



[Read more](#)

## Smart City Solutions



### Digital Water Utility

#### Operating procedure

MTS Digital Water Utility IoT solution is a software complex to detect illegal tie-ins and unaccounted consumption on water supply mains and to record pressure drops in pipes. The data are analysed using the Big Data, making it possible to compare meter readings for various periods and identify abnormalities. The service enables to prevent accidents at early stages and cut utility provider costs by drawing up a water consumption balance.

#### Application areas

Municipal enterprises of over 30 Regions.



### Detection of commercial losses in power grids

#### Operating procedure

Commercial losses of Russian power companies caused by illegal connections to power grids, abuses, and interference with metering devices reach 30%. The MTS platform for finding commercial losses in power grids is based on Big Data algorithms and geoanalytics. The software analyses data and identifies electricity metering devices that transmit under-readings.

#### Application areas

Housing and utilities sector, industrial enterprises of over 10 Regions.



### Environmental monitoring

#### Operating procedure

MTS offers a wide range of solutions aimed to reduce the carbon footprint. They include autonomous air quality monitoring stations and solutions based on auto-telematics. Their deployment within a factory fleet or logistics centre decreases the machinery idle time and, thus, reduces CO<sub>2</sub> emissions.

#### Application areas

The MTS NB-IoT network operates at the Russian Antarctic Progress station for the functioning of IoT devices. Trackers, multisensors, and sensors of the Arctic and Antarctic Research Institute assist in examining the movement of glaciers and snow cover. In addition, they are used to monitor the condition of snow runways and microclimate in living and working quarters.



### Monitoring of drain covers

#### Operating procedure

Sensors are mounted on the cover inside to monitor its position. In case of any damage or deviation from the standard position, the accountable employee is notified automatically, whereupon a field team is sent for rectification.

#### Application areas

Management companies, housing and utilities sector in Russian Regions, including the Leningrad and Tomsk Regions, the Republic of Sakha (Yakutia).



### Smart Click service

#### Operating procedure

The alarm button service is based on a permanent connection to the NB-IoT network. When pressing the button, the signal goes to the dispatching centre or smartphones of accountable employees.

The alarm button is designed in three options:

- compact option for use in social facilities;
- outdoor option for sending an alarm signal in an aggressive environment; and
- as a three-button panel board to automate flow processes.

#### Application areas

Educational institutions, Public Safety Answering Point (112) service in 20 Regions.



### Smart video surveillance

#### Operating procedure

The system transmits data from video surveillance cameras to the facility's internal security resources in real time. In case of emergencies, the system identifies intruders and provides for the comfort and safety of people.

#### Application areas

Crowded places, natural areas, national parks, and recreation parks.



### Smart buses

#### Operating procedure

Smart devices and sensors enhance the comfort and safety of public transport. A video surveillance system makes it possible to monitor the vehicle speed and location, behaviour of its driver, conductor, and passengers. Fares may be paid autonomously via contactless validators. Vehicles are also equipped with audio complexes, digital displays, and information text boards for people with disabilities.

#### Application areas

Cities and towns in over 10 Regions.



### Smart intercom

#### Operating procedure

The Smart intercom system enables to create a digital building copy and monitor its MEP functioning. The system may send video calls to the resident's smartphone and record visitors in a logbook.

#### Application areas

Projects of Russia's largest property developers, including Etalon and Donstroy.



**Celsius**

**Operating procedure**

A comprehensive IoT solution for online indoor microclimate monitoring and mitigating the risk of losses for businesses. Wireless Russian-produced IoT sensors included in the state register of measuring instruments provide continuous online monitoring of microclimate parameters: temperature, humidity, pressure, and air quality.

The data are transmitted via the NB-IoT network through a secure MTS cloud to the mobile app, thus enabling to control the indoor microclimate anywhere in the country. No additional equipment is required to install Celsius.

**Application areas**

Smart MTS sensors help preserve museum exhibits and archive funds, properly store drugs and food products, avoid the risk of drugs spoilage, and prevent losses to logistics companies and food chains.

Illustration:



→ How smart MTS sensors assist in preserving exhibits of the Rybinsk main museum



→ MTS technologies enable to preserve library funds



→ MTS equipped the Novolazarevskaya station in the Antarctic with its smart sensor

In 2022, MTS acquired Gulfstream, one of the Russian security market leaders, in the context of its Smart Home development strategy. As part of the MTS ecosystem, Gulfstream robustly advances smart home technologies and products in the following domains:

- security: protection against intrusion and accidents, smart insurance, climate control, utility payments;
- video analytics;
- geolocation and assistance services: medical aid, SOS button, geotracking of children and relatives;
- home services: interaction with management companies, delivery, household services, etc.



**Achievements**

**Best in digital economy solutions**



**Digital Water Utility project**  
**Best Digital Solutions for Municipal Water Supply**  
 ComNews Awards 2022



**Celsius project**  
**Best IoT Solutions for Healthcare**  
 ComNews Awards 2022



**VoiceBox Digital Employee project**  
**Best Voice Robot Platform for Business**  
 ComNews Awards 2022



**MTS Travel project**  
**Best Big Data Solution**  
 Best Travel IT Solutions

## Advancement of Digital Technologies

We make use of various technologies to develop digital products and promote in-house service: AI, Big Data, IoT, cloud computing.

### Big Data TC-IM-000.B TC-SI-000.B

The Big Data technology renders it possible to personalise customer offers, optimise company-wide processes, and improve performance of business development investment. In addition, this technology is behind individual products — MTS Marketer, being a platform to independently launch advertising campaigns, a geoanalytical smart city and tourism development system, anti-spam services, etc.

We apply Big Data in the following areas:

- telecoms networks optimisation;
- geoanalytics system improvement;
- data processing in marketing;
- fintech scoring; and
- filtering models.

For example, thanks to Big Data analytics, we managed to offer a filtering service based on customer preferences. As a result, the number of books read on **MTS Lines** increased by **45%**, and the total **KION** viewing time **increased by 12%** due to smart content filtering.

## ARTIFICIAL INTELLIGENCE ENHANCEMENT

The MTS Artificial Intelligence Centre (MTS AI) is charged with enhancing the Company's AI-based solutions. MTS AI develops technologies for various ecosystem-wide areas, with over 20 projects implemented in 2022.



### KION TECHNOLOGIES

In 2022, projects based on MTS AI technologies were launched. They allow automatic skipping of titles and splash screens, video resolution customisation, and generation of covers for KION TV series.

### AI FOR INVESTMENT PROMOTION

The Smart Rollout technology is used to predict the success of pilot business systems. Premised on 500 parameters, AI helps with identifying the most promising business projects and predicting their profitability.

### CLOUD VIDEO SURVEILLANCE

MTS AI presented TenVision, an instrument to develop cloud video surveillance and video analytics services. The MTS Video Surveillance for Business product has been created as part of the TenVision platform.

### AUDIO SIGNALS RECOGNITION

In 2022, MTS AI developers trained and tested a neural network to recognise audio signals in a stream of sounds. The technology will be used for the MTS ecosystem services to better recognise and transmit information.

### AUDIOBOOK VOICING FOR MTS LINES

In 2022, a pilot AI-aided project based on the Audiogram speech synthesis and recognition platform was introduced to voice books for MTS Lines. In 2022, 1,562 works were voiced through the help of AI. Up to 5,000 more works are expected to be voiced by the end of 2023.

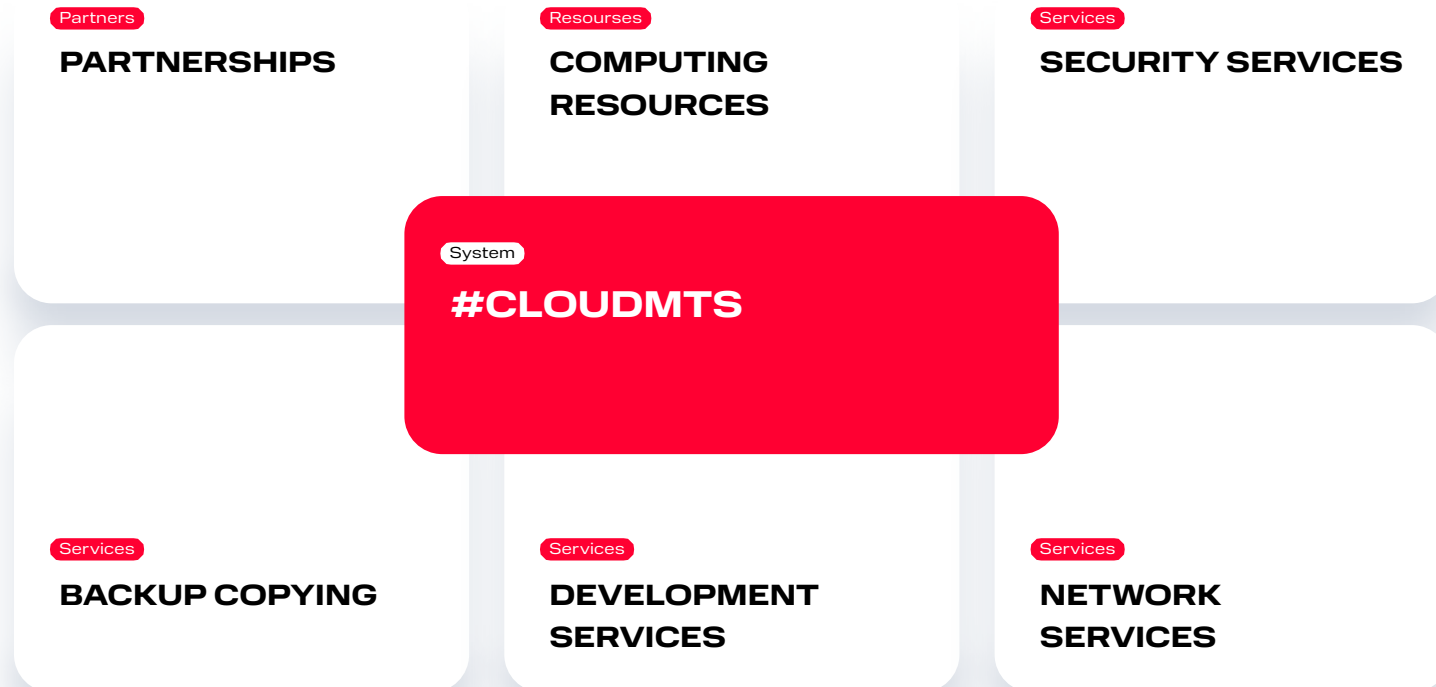
### AI FOR PROMOTION

In 2022, an automatic algorithm for recognising look-alike patterns was introduced in the MTS Marketer service to identify those user audiences to whom advertising will be relevant and of interest. To improve marketing campaign performance metrics, dynamic retargeting based on filtering systems and an AI-aided system that generates advertising banners and SMS were launched. It will enable to increase conversion rates through personalised images and text.

**Cloud Computing**

TC-IM-000.C TC-SI-000.C

#CloudMTS is a cloud provider with in-house data centres and highway communication channels across the country that renders cloud technology services for various businesses.



In 2022, #CloudMTS:

- certified internal services for compliance with the PCI DSS international security standard. It opens up opportunities for incorporating a virtual infrastructure and cloud services to store, process, and transmit bank card data of payment systems. The certification will enable to start collaborating with the largest e-commerce and financial sector companies, as well as with major payment systems.
- opened a new data centre in Novosibirsk, being MTS' first modular data centre in eastern Russia. Now MTS' corporate Siberian Region customers will be able to use the new capacity for migration of their IT systems to the #CloudMTS cloud, data processing and storage, backup copying, protection against DDos attacks, and for catering to other business needs.
- implemented projects by which every user will be able to access more powerful computer facilities remotely. Gamers from all over Russia are now able to make use of computing capacity remotely and run 'heavy' games or high performing programmes on their PCs.

**Cloud solutions for gaming**

In 2022, MTS launched Russia's first decentralised gaming platform — MTS Fog Play. The service enables to run games at a distance on more powerful computers of other registered users. By the end of 2022, the service had over 15,000 players of record. In 2022, Rushbe, an online store offering Steam game keys, was put into test operation. At present, users may acquire keys to 2,500 games on the Rushbe platform. Looking forward, MTS is about to transform Rushbe into a full-fledged game centre, where one may acquire a game by subscription or play on the Fog Play platform.

## Innovations as a Social Progress Driver



Quote

MTS Director for Innovations and Investment

“

We coped with transformation from a telecoms operator into an ecosystem. Among others, it was due to our extensive work with startups. MTS was one of the first ones in the Russian market to run business with tech companies. Today, the corporation needs mature solutions capable of becoming an equivalent of international companies that withdrew from the Russian market and of catering to the current needs of business verticals. That is why, despite a decline in the Russian venture capital market, we keep the investment pace and continue working dynamically with tech startups.

”

**12** startups became graduates of the MTS AI acceleration programme in 2022

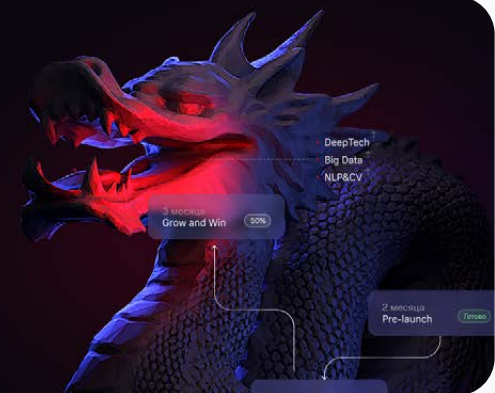
### MTS AI Accelerator Programmes

In 2022, MTS AI launched its first accelerator programme. It was completed by 12 startups from 10 countries. Over 60% of participating companies managed to raise investment even before the programme was over.

In total, 36 startups at various stages, from pre-seed to round B, completed MTS AI accelerator programmes in 2022. The startups have raised 9 million US dollars in investment in the aggregate, with 70% of them attaining significant changes in technology, product quality, and revenue.

#### WinChina programme

In 2022, MTS AI launched its WinChina programme to personalise the preparation of startups for entering the Chinese market. In addition, it selected pre-seed deep-tech startups to be further promoted to the US-China venture capital fund. At the year-end, MTS AI specialists received more than 200 applications from deep-tech companies from seven countries.



#### Metaverse technology accelerator

In late 2022, preparations started for the launch of a new accelerator to find and test Metaverse technologies. In doing so, MTS AI organised an executive workshop on metaverses with three Head of Tencent Cloud Technologies level speakers participating.



# SUPPORT FOR DIGITAL DEVELOPMENT OF COMMUNITIES

MTS considers issues of developing areas of its operations in an integrated paradigm of upholding the social, economic, cultural, financial, economic, investment, and other spheres. MTS' strategic social investment target is to bolster living standards for various communities by rendering a vast range of digital services and innovative development.

## Community Investment Principles



We make community investment efforts under the MTS 2025 Sustainability and Corporate Social Responsibility Strategy. The Strategy is aimed to contribute to dealing with social challenges through the use of digital technologies and MTS ecosystem capabilities. We focus on addressing not only local but also global issues, therefore, the Strategy is also aligned with the UN Sustainable Development Goals.

MTS is noted for its extensive use of inbound mechanics in delivering social programmes. We seek to attract a wide pool of representatives of the local expert and professional communities, as well as volunteers.

→ For more information on the list of documents on social activities and charities, see the ['List of Regulatory Documents'](#) section

We keep abiding by the following community investment principles crystallised from the analysis of the current public needs, including in the Regions where the Company operates, our in-house expertise, and the best sustainability practices.

### ✔️ **Continuity, resilience**

The Company focuses its ESG efforts on delivering the National Goals and UN SDGs in the domains that are mostly consistent with its business strategy

### ✔️ **Partnership**

MTS fosters partnership and cross-sectoral interaction practices by achieving a synergy of interests in addressing social matters

### ✔️ **Public involvement**

The option of making a personal contribution to handling topical public challenges together with MTS enables, in synergy with the community, to implement the most robust, targeted, and long-term programmes

### ✔️ **Performance**

We regularly monitor the delivery of qualitative and quantitative project KPIs. A system of internal performance review metrics is based on the number of programme beneficiaries and sociological surveys of participants and users of the Company's social projects

### ✔️ **Localisation**

We specifically adapt initiatives locally, considering the context of a particular Region

### ✔️ **Manufacturability**

Expediently tackling issues through digitalisation: high-tech services and in-house in-depth digital expertise

All areas of our social programmes are digitalised. We develop, integrate, and provide various services and solutions to enhance social spheres.

Areas of MTS social programmes

**5,000**  
social events  
were hold in 2022

**# EDUCATION**

Intellectual and creative development of children and youth

**# INCLUSION**

Support for the inclusive environment improvement

**20**  
million people  
attended social events by MTS

**# HEALTH AND WELL-BEING**

Support for socially vulnerable groups, businesses, and local communities

**# DIGITAL EDUCATION**

Improvement of the digital literacy and training the public in digital hygiene

**# CULTURE**

Preservation and promotion of unique cultural values

**# ENVIRONMENT**

Environmental protection, ecotourism enhancement, and environmental education



## Digital Projects for independent travel

In 2022, we placed a strong focus on enhancing digital tools for active and safe independent travelling. It will enable to preserve the history of places, uncover opportunities, and increase the local tourism accessibility.

### Urban Legends project

The Urban Legends project aims to promote domestic tourism through digital services with unique content.

As part of the project, MTS involves locals — enthusiasts, Regional ethnographers, historians, and journalists — in creating ‘folk’ audio guides. They share fascinating stories and facts that allow gaining an authentic experience and best revealing special aspects of territories. As of now, MTS audio tours have been launched in 42 Russian Regions. In 2022, seven new guides were introduced: now, in addition to conventional walking tours, we offer car and water routes. They are available free of charge for subscribers of any mobile operators on the ecosystem digital platforms — MTS Live and MTS Music.

In 2023, the project is expected to be continued by expanding the geography of tours and promoting new formats.



## Urban Legends in 2022

### Sergiyev Posad

Those travelling by car will find 30 interesting stories and curious facts about the sites located along the 74 kilometre route. Among them are the old Russian estates of Lyubimovka and Talitsy, numerous churches, the villages of Radonezhskoye and Vozdvizhenskoye that hosted historical developments.

### Kaluga

The first audio guide from Moscow to Kaluga passes through the ancient Russian towns of Borovsk, Naro-Fominsk, Obninsk, and Maloyaroslavets. The route length is 180 kilometres. The digital guide covers about 50 stories.

### Sochi

MTS car audio guides meet travellers at the airport and take them to Krasnaya Polyana or Tuapse. While travelling with an audio guide, visitors may come to know more than 50 locations.

### Yekaterinburg

In 2022, MTS together with the Ekaterinburg Academy of Contemporary Art launched the people’s guide to Yekaterinburg’s ‘most Soviet’ district — Urban Legends. Uralmash.

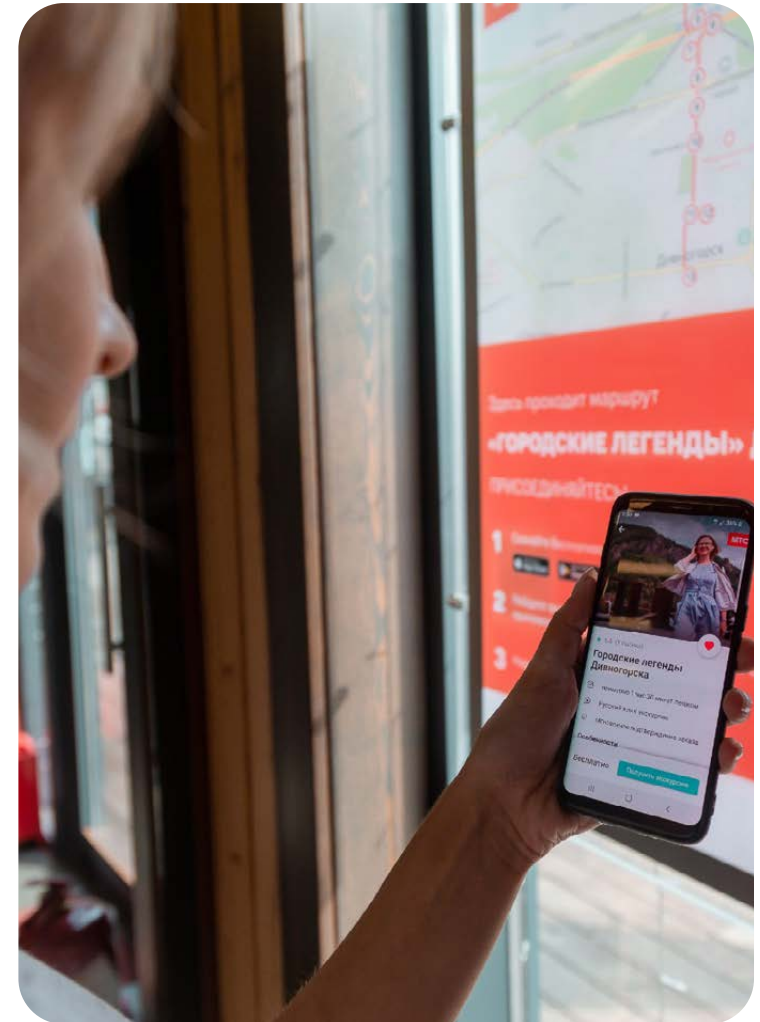
### Ufa

An audio guide containing stories about the city streets, its myths, street art, artists, and cosy places of rest was launched.

### Tula

The free-of-charge guide route from Moscow to Yasnaya Polyana is 200 kilometres long and passes through ancient Russian cities and towns of Serpukhov, Aleksin, Podolsk, Chekhov, and Tula.

**Audio guides are available free of charge on mobile apps MTS Live and MTS Music**



**POWER PLACE PROJECT**

MTS helps national parks, nature reserves, and urban areas find opportunities to benefit from innovative technologies and MTS ecosystem products. Such technologies and products are used for environmental education, tourism development, unique flora and fauna support, and for ensuring the safety of areas protected. In 2022, 24 socially useful digital products were created (virtual reality (VR) films, audio guides, digitised content for museums, augmented reality (AR)-aided educational materials). Such content was viewed by over 600 thousand people from 16 Russian Regions. In 2023, the project is expected to be scaled up, and a number of technologies expanded, including video surveillance with AI and Big Data.

**Power Place in 2022**

**AR excursion in the Apothecary Garden**

In cooperation with the Botanical Garden, MTS launched an audio guide and a tour with AR elements. AR items revive the story about the garden's centuries-old history and its nurselings. The guide's animated picture concept was developed by Ninsar — a startup and resident of the MTS Innovation and Investment Centre. The tour is available for customers of all mobile operators in the MTS Live mobile app at no cost.

**VR excursion along the Lena Pillars**

MTS launched a 16-minute VR tour dedicated to the beauty of the Lena River surroundings in Yakutia and a digital audio guide for the area of over 100 kilometres. It comprises two routes: a river route along the Lena River and a hiking route along the national park nature trail.

**Audio guide to the Chertovo Gorodishche nature trail in the Kaluga Region**

MTS set up a digital audio guide to the Chertovo Gorodishche nature trail in the Ugra National Park of the Kaluga Region. The park is also equipped with a video online monitoring system for tourist safety and fire lookout.

**AR-aided audio guide for the Sochi Arboretum**

The tour covers a 3-kilometre route through the upper and lower parks and contains information about the Sochi Arboretum and its history. AR technologies enable users to see a blooming mimosa, magnolia, and a dancing shepherd boy in the Morning architectural ensemble.

**Car guide to the Chuyskiy Tract**

The car guide connected 65 Chuyskiy Tract sites from the Urban Beginning Park in Novosibirsk to the village of Tashanta bordering with Mongolia.

**Assistance to the Krasnoyarsk Pillars**

MTS assisted in acquiring special fire-fighting equipment for the Krasnoyarsk Pillars National Park. This specially protected natural area is now equipped with bladder bags and metal fire shields

**Traveller trackers**

MTS developed a smart GPS tracker for travellers and rescue teams. The tracker is a thin, light but durable plate that fits easily into a backpack and enables to promptly signal an emergency. The device works autonomously for up to seven days, automatically reports movement trajectories, and allows to call for help by sending a SOS signal. The plate transmits a signal only when a location changes. During a stop, it switches to the energy-saving mode. In case of an injury or wild animal encounter, tourists may send a signal by forcibly calling the base and forwarding their coordinates. The GPS data may also be used by special emergency services, search and rescue teams. They pre-record a given route in the digital service and immediately send emergency teams, if there is any deviation from the route. For now, MTS has provided devices to tourist group leaders and rescuers on the Mount Elbrus and Kolyma nature trails.

**VR tour across Khakassia**

In 2022, MTS released 360° VR-aided films devoted to the Oglakhty area of the Khakassky Nature Reserve and the Zimin Pozarym Wildlife Refuge. It is due to the project that anyone may virtually be introduced to the Khakassky Nature Reserve. Previously, tourists could see this area only as part of organised groups.



→ Virtual tour titled Power Place



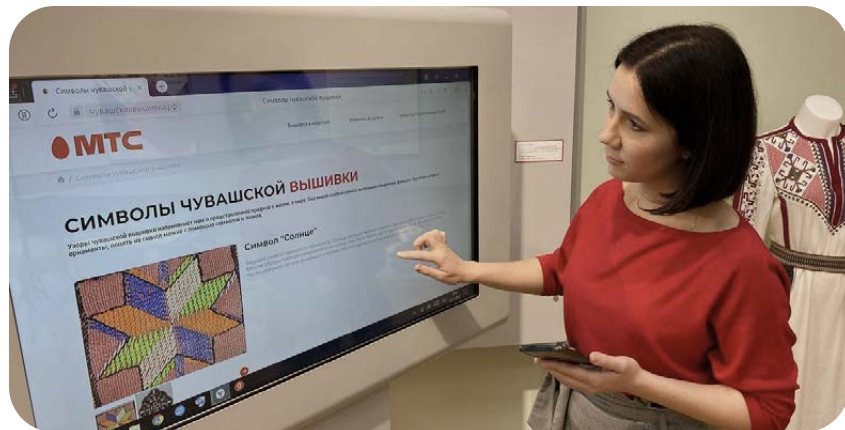


## Digital Projects to Preserve Cultural Identity

As part of enhancing the Russian historical heritage preservation area, MTS implements projects to digitise and examine Regional cultural monuments through the use of advanced technologies.

### Cultural Code project

The MTS volunteer Cultural Code project is aimed to preserve and support the national identity, cultural values, and original ethnocultural entities. The project is targeted at digitalising cultural and historical heritage items to transmit knowledge to future generations. The project is being currently implemented jointly with residents of Russian Regions, volunteers, partners, and other contributors. In 2023, the project is expected to be scaled up, and a number of MTS ecosystem technologies expanded, including video surveillance with AI and Big Data. In 2022, the project covered 58 Regions. Project activities were arranged by 35 thousand people, including volunteers.



### Cultural Code in 2022

#### Interactive cinema exhibition in Samara

For the first time, MTS arranged an AR-aided exhibition titled 'Cinema in Samara. Samara in Cinema'. Through the use of special QR codes and 24 bulletin boards, spectators had an opportunity to immerse themselves in the film history of the city. The boards showcased memorable moments about the cinematography history, famous actors, scriptwriters and directors, whose life and work had a nexus with the Volga city. Spectators may also enjoy the old film atmosphere in the KION online cinema.

#### Urban culture performances

In 2022, MTS, in partnership with the HUMAN Creative Production creative agency and the Immerse Lab AR studio, launched Urban Russia, an experimental series of AR performances devoted to Russia's urban culture. One may use their MTS Live app to watch immersive shows about St. Petersburg and Yekaterinburg. With the help of street art, each performance introduces the audience to peculiarities of the artistic and social urban life. The project involves the digitalisation and reconstruction of the works of famous St. Petersburg and Yekaterinburg street art conceptualists in AR mode. Today's digital technologies make it possible to preserve monumental paintings on the walls of architectural structures, which are no longer available on urban streets, in an online format.

#### 360° Museum

In collaboration with the Alabin Samara Regional History and Local History Museum, MTS created a virtual museum tour of 37 circular panoramas, 30 videos, and 130 photos featuring the most interesting exhibits. The tour is noted for affording visitors the opportunity to see familiar exhibits from unusual angles. The project retains this opportunity for many years to come, for next generations.

#### Digital platform 'National School of Chuvash Embroidery'

In cooperation with the Chuvash National Museum, we have compiled one of the largest digital catalogues of traditional Russian crafts. It will help preserve and multiply the cultural heritage of the Region. It is the first digital learning platform that combines the expertise of the largest republican museum on Chuvash embroidery and the ability to hold interactive classes. The [чувашскаявышивка.рф portal](http://чувашскаявышивка.рф) has already become the main digital platform to showcase the original embroidered collection of the Chuvash National Museum. It will be further supplemented with digital copies of items bearing Chuvash embroidery from other Russian museums, lectures, and classes.

#### Digital exhibition of Nikolayevskaya Sloboda trimmers in Krasnoyarsk

MTS contributed to creating digital copies of Nikolayevskaya Sloboda trimmers. The museum will assist in preserving the original wooden architecture of the oldest neighbourhood of Krasnoyarsk in a digital format.

#### Digitalisation of A. P. Chekhov's museums in Taganrog

MTS digitised the key exhibits of three museums related to the life and work of Anton Chekhov in Taganrog. The audio tour is posted in the MTS Live app and available to listeners from any part of the world.

# Support for IT Education



Creating robust educational tools is among top priorities for MTS.

Mastering digital skills in a public setting is a crucial component of the MTS development strategy. We understand how important it is to help the public adapt to the new normal and find opportunities for enhancement in a digital environment. We improve training formats and expand the topics of educational programmes, so that everyone may obtain useful information for navigating in a digital world.

Quote

Golang-MTS developer

“

From the programming language course, I expected not only an introduction to the basics of the language, but also close work with the ecosystem and tools, using development approaches as close as possible to real work. And on the course from MTS, I got it: an end-to-end project on the course is almost a combat application. Teachers and mentors told how to apply modern approaches to development on Golang. At the same time, theoretical information is also given on the course, you have time to study everything and consolidate it in practice.

”

## MTS.Theta project

MTS.Theta is a new educational project for IT specialists of various backgrounds. We share knowledge to create digital leaders. Within the framework of Theta Company also launches joint educational programmes with leading universities and courses for ecosystem employees interested in career growth or changing activities. Participants are trained on the Company's case studies surrounded by a strong community and supported by topic experts. The best students are entitled to be employed by MTS. Following the 2022 internships, 32 new joiners were employed.

In 2023, we plan to launch 15 more corporate courses for different technology stacks, including quality assurance (QA) and Flutter courses. For external training, we will upgrade existing courses, as well as launch five more new ones, based on the needs in DevOps, Architecture, Android, Go, Java. We also plan to expand cooperation with universities, thanks to which several thousand students will be able to take MTS.Theta educational programmes.

## Educational course for IT specialists in the fintech sector

In 2022, the Fintech.Academy opened its first enrolment for free Java developer and QA engineer courses. The training was attended by students of engineering universities. The best graduates were offered paid internships followed by employment. A total of 943 applications were submitted for the Java developer course, and 507 — for the QA engineer training programme. Followed by the competition, 38 future Java developers and 37 testers were enrolled in the training programmes.



## Cooperation with Universities

In 2022, we kept enhancing joint educational projects and master's degree programmes with the leading Russian universities.

### Course on backend development of microservices

In collaboration with the Faculty of Computer Science, MTS launched a course on backend development of microservices in the Go programming language. Twenty-eight students completed the course and mastered the tools and skills expected of junior+ and middle specialists, from design patterns to database operation principles. On top of that, they developed three own microservices in Golang. At the end of the course, the students were interviewed, with the most successful ones receiving MTS internship invitations.

Quote

Dean of the Faculty of Computer Science

“

It's essential for us that students are able to receive the most advanced education aligned with the work for major companies. Partnering with companies like MTS and the ability to benefit from their expertise to train the next generation of developers significantly strengthen the faculty's stance as a leading IT training centre.

”

We have also developed the DevOps: Methodology and Practice course. While taking it, students will study the approaches to development, master basic tools, and receive career enhancement advice. At the end of the course, students may be awarded a #CloudMTS grant to learn DevOps practices on their own.

### Course on developing filtering systems

We launched a course on developing filtering systems in Python for students of the AI Talent Hub master's degree programme. Over the course of three weeks, students listened to lectures, performed their homework, and dealt with case studies together with MTS mentors. At the end of the programme, the graduates developed their own API filtering service. Classes were held in an online format, which allowed people from all over Russia to participate. The best graduates got a chance to take an internship at MTS.

**109** students  
completed the course

Quote

AI Talent Hub project manager

“

When drawing up training programmes, we cater to the needs and wishes of our students, look for new partners, and compile original training modules. In partnership with Big Data MTS, we not only deliver online courses based on unique content and expertise but also address the current business challenges of setting up filtering systems.

”

## MOOVE is a continuing educational programme for students

Moove aims to help students master communication skills and product management skills in IT companies. The project runs in support of digital leadership in partnership with a leading business school and covers business cases, lectures, workshops, individual counselling, and coaching. In 2022, 1,028 applications were received (vs 681 in 2021) and 42 students were enrolled into the programme. Graduates largely build their careers in digital companies and startups, including MTS digital ecosystem businesses. A total of 175 recent graduates completed the programme over four years only.

## MTS Fintech for universities

In 2022, MTS Fintech was extensively involved in cooperation with universities — 11 partnership agreements were signed to acquire the best students for on-the-job training and internship.

# Digital Education



MTS takes care of creating conditions to enhance the public digital and financial literacy. It is crucial for us that anyone has access to technologies and today's world opportunities. MTS delivers projects to improve digital literacy for various age groups.

## PROJECTS FOR CHILDREN AND YOUTH

**Generation M is a project designed to promote the creative development of children in a digital environment**



Generation M is Russia's largest educational platform to encourage the creative enhancement of children in the digital world developed by the MTS ecosystem. Using IT technologies, project participants take educational courses in various creative disciplines led by 250 experienced teachers, get to know experts and famous figures in art, engineering, IT, and creative industries, and master essential soft skills. Generation M allows them to gain their first hands-on experience of operating digital technologies in a creative environment. They may deal with real-world tasks and explore sought-after creative professions.

The project combines the idea of education and development of children from Russian Regions with charity. MTS converts all digital activities of project participants working in groups and on the Generation M website into money and transfers it for therapy of seriously ill kids. As part of Generation M, over 23 million roubles were collected and applied to the treatment of 82 children. The Generation M programme is included in the list of global practices recognised by the UN as the best practices for achieving the Sustainable Development Goals.

### During the 2022 season:

- an online crypto-art course was launched for preschoolers together with the animated Smeshariki TV series
- a special section came into being on the Generation M platform for teachers and parents on safe behaviours on the Internet. The audience will learn about potential risks of using the Internet, ways to protect themselves from online threats, and useful web opportunities for education, development, communication, and entertainment
- a digital educational programme on the conservation of rare animal species was launched in cooperation with the Moscow Zoo
- an all-Russian online ecology quiz was arranged with the participation of characters from the animated Fixies TV series, won by a team of third-graders from Chelyabinsk
- two thousand applicants from all over the country received assistance in trying themselves at the GITIS entrance counselling in the online format on the Webinar online communication platform. Following the selection, 97 applicants were invited to the final tests in Moscow
- an all-Russian free online camp for schoolchildren and teenagers was organised in Telegram, where classes were taught by star mentors

### Quote

Student of the GITIS acting faculty



I have dreamt of cinema and an acting career since childhood, but I did not dare to go to the capital myself. The opportunity to show myself in Krasnodar and receive an objective assessment of my abilities from professionals has literally inspired me. I am really grateful to the MTS Generation M project for helping my goal come true.



## Digital Literacy for Children

MTS, along with major IT companies, is a co-founder of the **Alliance for the Protection of Children in the Digital Environment**. The Alliance is aimed to contribute to setting up a safe and healthy digital space for children. In such space, they would be able to spend quality time online, improve their cyber literacy knowledge, and communicate online without bearing the risk of coming to know dangerous and illegal information that may cause damage to their psychological and cognitive development.

In 2022, MTS implemented the federal educational project **My Country SvyaziYa**. Thanks to the project, children learned about the evolution of communication technologies and professions of the future. Over 4,000 schoolchildren aged 7–14 from 30 Russian Regions, including kids from social institutions with hearing, vision and mobility impairments, took part in the project. The project was targeted at expanding the young generation's knowledge of the communications and telecommunications industry and at fostering their interest in it. The project entailed a five-stage career guidance quest, a topical crossword puzzle, and interactive workshops in cyber security, digital hygiene, and designing a smart home of the future.

In addition, we launched the World of Knowledge with MTS virtual planetarium project. It covers educational events devoted to IT and telecoms, and posting educational content on the MTS platform. In 2022, the project was implemented in 15 Regions.

As part of celebrating the International Children's Day, the **MTS Digital** team invited kids from social institutions to the MTS office and held a career guidance quest in collaboration with the CODDY programming school. The participants tried

themselves as young developers.

In partnership with the Centre for Development of Digital Technologies, MTS organised an interactive IT marathon for children from Chelyabinsk school No. 138. During the marathon, the children from the school camp together with the characters of a famous computer game went through registration in an entertaining form, found their way out of confusing 'social media networks', and even took part in a digital relay race.

## Digital Literacy for Older People

In 2022, we kept delivering initiatives to improve digital accessibility for the elderly. For example, MTS in Belarus has relaunched its **#TeachYourFamily** project. The project entails the functioning of a free online digital literacy school that helps older people benefit from technologies in their everyday lives. They learn to manage gadgets, communicate via social media and messengers, make purchases in online outlets, and pay utility bills online. Participants have access to 10 lessons with practical assignments and educational videos. At the end of training, each participant takes an online test and receives an online certificate from MTS.

Over the reporting year, the MTS Mobile Academy together with the Regional Active Longevity Centre in Vladivostok organised training in digital services and Internet skills for older people.

## Digital literacy podcasts

In 2022, we released new video projects on topical issues in the area of advanced technologies. Such projects are aimed to draw attention to sensitive matters in digital technologies and beyond. The total coverage of such releases exceeds 19 million users.

### True or False show



A show in which MTS specialists give answers to pending questions about advanced technologies. In 2022, we released five episodes of the YouTube True or False show. They were dedicated to cyber security, AR/VR technologies, subscriptions, development, cashbacks, and ways of working in an ecosystem company.

### 'PoTRENDim' podcast



A podcast about challenges in a digital space and topical public issues. In 2022, 12 programmes were released with a total coverage of over 19 million users. In 2023, the topics of programmes will have an even brighter social tone: child safety on the Internet, circular economy, bullying in companies, environmental education, etc.

## Special project under the Generation M on psychological support for children and parents

In 2023, we will strengthen the social connotation of the issues and talk about the safety of children on the Internet, the closed-loop economy, bullying in companies, eco-education.

**11.8** million people  
communication coverage

## MTS Media Educational Projects

We post useful, educational, and helpful content on the Media MTS online platform at [media.mts.ru](https://media.mts.ru). Such posts are primarily intended to increase the digital literacy and render information support in gaining an understanding of technology transformation. We enable to save money, take care of our readers' safety, and tell you how to address routine tasks faster and cheaper through the use of digital services. **We are being read!** In 2022, publications on the MTS Media platform and in the same-name channel onDzen collected more than 25 million views (17 million in 2021), including four million views of social agenda materials (3.4 million in 2021).

Such materials were devoted to:

- health
- savings
- safety
- inclusion
- computer and financial literacy
- interaction with public services resources



→ MTS/Media

Quote

Director of MTS branch in the Primorsky Territory



People of any age should be able to live a full life, socialise, make friends, educate themselves culturally, and exercise no restraints. Importantly, many state services are much easier and faster to obtain via the Internet.



## Financial Literacy



MTS Fintech enables to develop an informed and responsible approach to personal and family budgeting, and teaches digital hygiene and the use of advanced financial e-services. It is also important for us to warn users about typical fraudulent methods and to train them in basic measures to counteract tricks.

To combat digital ignorance, MTS Fintech conducts workshops, trainings, lessons, and other educational programmes for a wide audience of all ages in the online and offline formats. In 2022, MTS Fintech continued to enhance its own Financial Literacy for Everyone! educational project. As part of the initiative, a series of offline and online training events were held.

In 2022, MTS Fintech also signed the Digital Ethics of Childhood charter. In the context of this partnership, we will keep implementing the initiatives to create a favourable digital environment for children.

## Environmental Education Programmes



Among other things, advanced digital technologies are used to promote the culture of conscious consumption, environmental protection, volunteering, and tourism.

Coverage of educational and educational content MTS on environmental issues in online and offline forms – more than 8.5 million people.

New!

## MTS TERRA — A CORPORATE ENVIRONMENTAL CLUB

The MTS environmental community spans more than 2,000 employees. The primary communication tools are a Telegram bot and the same-name group on the corporate Pulse portal. The year 2022 was dedicated to the topic of 'Responsible consumption', where we talked about personal eco-responsibility. Together we completed 557 tasks, answered to 8,354 environmental questions.

In 2022, our employees completed the following training webinars:

- Zero waste: how to reduce the amount of rubbish for the benefit of ourselves and the world;
- Separate waste collection: instructions for use;
- Greenwashing: how to avoid marketing tricks;
- Green office: benefits and advantages; and
- Environmentally friendly New Year.

After the training, the participants go through interactive comprehension assignments and may address their questions to experts on the lesson topic.

We held webinars on various ecotemes three times, including lectures for the children of employees and held a game on eco-behaviour at MTS Fintech. Book exchange points have been established in the offices of the Moscow Region. We have launched an environmental column in the MGTS Family telegram channel, where we define the topics of the month, issue daily posts on environmental topics with contests, victories, interactive actions on separate waste collection and collection of things. We have also made special eco-tickers that are available to all employees of the ecosystem on the Pulse portal.

Read more



Quote

Project Lead of the MTS ESG Centre

“

Digital educational and volunteer projects aimed at ecological education are still among our top priorities. Promoting a culture of consciousness is a crucial task that we tackle through the use of both traditional and innovative digital tools. It enables us to approach the task comprehensively, expand and scale up the ecological area of practice company-wide, and involve a wide audience in dealing with environmental issues.

”

→ **MTS environmental lessons** are available to anyone.



New!

### INTERACTIVE LESSON ABOUT THE ECOLOGICAL FOOTPRINT

We have launched a new interactive children’s lesson titled ‘What is an ecological footprint and how digital technologies help reduce it’. It dwells on the impact of advanced technologies on the world around us and the environmental impacts of our daily habits. Since the launch, more than 100 eco-lessons have already been held throughout Russia, including by MTS volunteers. As part of the environmental educational For Children about the Planet programme, MTS volunteers conducted over 1,000 environmental lessons across Russia, while the related online content for MTS children and teenager on environmental topics was viewed more than 3 million users.



New!

### LET’S EXPLORE THE WORLD WITH FIXIES

This environmental and educational initiative was launched by MTS under the Generation M project together with the animated Fixies TV series. The episode of online environmental lessons with favourite characters has become a bright and effective tool for nurturing environmentally friendly habits and training the younger generation in conscious consumption. We also launched a competition for the best comic book dedicated to taking caring of the planet and upcycling. It involved thousands of children across the country.



→ Generation M



## Inclusive Environment Promotion Programmes



MTS is extensively involved in the agenda of enhancing the public inclusiveness in Russia. We implement long-term and large-scale initiatives designed to improve the living standards of people with disabilities.

The execution of the National Inclusion Agreement by MTS has become the most significant 2022 development. We believe that this measure will not only be an important event in the implementation of the Company's social strategy. It will also serve as a driver for further steps to advance programmes of creating an inclusive environment in the Russian society.

In 2022, MTS held the DE&I. DE&I Practices: Business' and Society's View session as part of RBC's ESG Congress. The session coverage totalled 15 million people.

Moreover, together with social protection agencies of Nizhny Novgorod and Krasnodar, Employment of Special Groups roundtables were arranged with MTS initiating the discussion of topical inclusion issues.

Quote

Head of the MTS Centre for Social Responsibility, Diversity and Inclusion



In MTS we do a lot to create an accessible harmonised environment in its offices across the country, retail outlets, and upholds inclusive projects. A range of MTS technologies and digital services offered today enables to provide equal access to educational resources and cultural values for every Russian resident, regardless of the place of residence, state of health, and any other conditions.



Quote

Founder of the Baba-Deda Internet portal and the HR Companies for All Ages project



Adult bullying is still a taboo, which is rarely spoken about openly. Moreover, the problem is difficult to uncover, as its victims do not treat the pressure they are subject to as bullying. We and MTS wanted to bring up a difficult topic in employee communications and mitigate the risk of discrimination at work, as well as to demonstrate that anti-bullying programmes are an effective tool for building a corporate culture of tolerance and equality.



MTS initiated a survey of bullying in a corporate environment. Participating companies from 27 industries took part in the survey.

- >60% of respondents experienced bullying, of which 93% of cases were psychological pressure instances
- 58% avoided asking for help
- women (42%), new hires (39%), and senior professionals (32%) are mostly prone to bullying



→ MTS survey of bullying in a corporate environment





### Accessible space for mobility impaired customers

In 2021, MTS set the goal to ensure that at least one MTS point of sale in every community where we operate is accessible for mobility impaired people. To achieve the goal, we install ramps and help buttons. As of the end of 2022:

**208**

retail outlets were equipped with ramps

**56**

retail outlets were equipped with buttons

### Support for Inclusive Museum Projects

For deaf and hearing impaired visitors of the Russian Museum in St. Petersburg, MTS and the Sistema Charitable Foundation created a free video guide in the Russian sign language for the exhibition titled 'Home and Family. Pictures of Peaceful Life' in the Benois building. The works include paintings by Ivan Kramskoy, Vladimir Makovsky, Illarion Pryanishnikov, Boris Kustodiev, and other masters. The video guide consists of 11 videos about the exhibits, supplemented with subtitles. To view it, a visitor just needs to scan a QR code placed next to the exhibit. The narrators are native speakers of the Russian sign language. On top of that, all stages of creating the video guide were contributed to by hearing impaired experts.

Quote

Head of the Department of Socio-Cultural Communications of the Russian Museum

“

Video guides and guided tours in the sign language constitute a necessary step in ensuring accessibility of the museum environment for deaf and hearing impaired visitors. It is because the sign language is the primary communication medium for most of them. Art-related texts for a video guide were adapted by dedicated experts considering special aspects of perception by deaf visitors and the sign language specifics.

”

In Taganrog, a portion of the exposition of museums related to the life and work of Anton Chekhov has, for the first time, become accessible to vision impaired visitors. MTS presented the museums with 20 tactile 3D models of museum items of the Chekhov Fund: from an inkwell to a bust of Anton Chekhov.



### Inclusive Picnic at the Tsaritsyno Museum-Reserve

In 2022, MTS, jointly with the Art of Being Near Charity Foundation and the Tsaritsyno Museum-Reserve, organised an Inclusive Picnic for children. During the picnic, the kids had an opportunity to get acquainted with each other, take part in various entertaining activities, workshops, mobile and board games, watch the performance of the MTS volunteer theatre — Mobile Fairy Tale Theatre. All activities were accompanied by the Russian sign language interpretation.

# Support for Entrepreneurship



MTS implements projects aimed at upholding entrepreneurship and creating opportunities to support small businesses.

MTS recognises the importance of developing new business ideas and startups, incentivises and creates comfortable conditions for digital entrepreneurship. For this purpose, we have set up MTS StartUp Hub — a centre for innovations and investment. The advantages of cooperating with MTS StartUp Hub are as follows:

- opportunity to implement a pilot project and test its viability;
- all pilot-related expenses are borne by MTS;
- opportunity to sign a long-term agreement with MTS and scale up successful projects;
- access to the MTS infrastructure and favourable conditions for launching advertising campaigns on the MTS Marketer platform.

In 2022, MTS StartUp Hub invested in three companies:

- Rubbles is a developer of IT solutions for optimising business processes based on data analysis and artificial intelligence;
- LogicLike is an educational platform for developing logic, thinking, memory, attention, and outlook of children in a playful way;
- Bartello is a mobile service for online ordering and paying for food and drinks without calling waiters.



## Expert support for the E+ Change (ex-Effie Russia) to promote the ESG agenda in Russia

Since 2018, we have been delivering a joint project with E+ Russia to promote 17 UN SDGs. As part of the project, we tell about, and mainstream, successful Russian and international cases aimed at ensuring sustainable development of the society. The project is primarily designed to inspire business leaders and other brands to more dynamically contribute to the ESG agenda.

In 2022, a student sustainability project was implemented in the context of cooperation with a leading business school and the master's degree programme titled 'Marketing: Digital Technologies and Marketing Communications'. During the semester, students worked on true marketing cases of large corporations in the area of sustainable development. A direct interaction with company experts provided for rendering the projects as practically oriented as possible.

# Charity

The Group’s charitable efforts are a continuation of the Company’s business and social strategy and are governed by the MTS Charity Policy. This document establishes the basic principles of planning and implementing MTS Group’s charitable activities, as well as the rights and obligations of the Company’s employees and units in the context of such activities.

## MTS charity principles



**LEGALITY AND ETHICS**



**CONSISTENT APPROACH**



**ZERO TOLERANCE TO ANY CORRUPTIVE PRACTICES IN ANY FORM WHATSOEVER**



**MULTI-LAYER CONTROL OVER THE USE OF FUNDS**



**APOLITICAL NATURE**



**OPENNESS AND TRANSPARENCY**

Important structural elements of administering MTS Group’s social and charitable agenda are:

- The Supervisory Board for Charity is a collegial body composed of the Company’s senior executives. The Supervisory Board for Charity exercises control over MTS Group’s charitable activities, approves the annual plan and budget of charitable activities, agrees on charitable projects not covered by the annual plan, for which applications were received during the year, and decides on changing the amount donated, if such a need arises in delivering a charitable project.
- The Centre for Social and Charity Programmes is charged with development and operational implementation of MTS social and charity programmes.

In 2022, we kept extensively cooperating with charity funds and other non-profit organisations.

A significant portion of MTS charitable activities are delivered through donations to the Sistema Charitable Foundation. This model encourages a synergy of resources and larger-scale project implementation, including through association with other charity givers of the foundation. Among others, cooperation and expert support on the part of MTS contribute to enhancing Sistema Charitable Foundation’s landmark educational Lift to the Future project. It is the all-Russian career guidance platform helping residents of all ages widen their career opportunities.

→ For more information, see the **‘MTS Group Charitable Donations’** section



→ Lift to the Future project

MTS Charity Highlights in 2022:



**THE RUNNING HEARTS CHARITY RUN  
IN COOPERATION WITH KONSTANTIN  
KHABENSKIY'S CHARITY  
FOUNDATION ASSOCIATED WITH THE  
INTERNATIONAL CHILDREN'S DAY**

**25** million roubles

was raised to enhance the project of rendering rehabilitation assistance to children and young adults with brain and spinal cord tumour



**COOPERATION WITH DR. LIZA'S FAIR  
AID FOUNDATION**

**~200** kg

of food, hygiene products, children's books and toys, clothes and shoes were donated



**COOPERATION WITH THE OLD AGE  
IN JOY FOUNDATION**

Arbours and swings were installed in nursing homes for the elderly and disabled

in **6** Russian cities



**TO SCHOOL WITH MTS  
CHARITY FAIR**

**435,000**

roubles

was raised and spent on preparation for entry and tutors for children from social institutions

# CARE FOR EMPLOYEES



54	Corporate Culture
56	HR Management Digitalisation
58	Our Team
63	Health and Safety
67	Training and Development
71	Culture of Support and Open Dialogue
74	Diversity and Equal Opportunity
80	Development of Volunteering
81	MTS Best Social Projects



# CORPORATE CULTURE



Our team is the key ecosystem value. We work every day to make MTS the best company not only for customers but also for its employees. We have created a harmonised, comfortable, and innovative environment, constantly enhance the corporate culture practices, implement inclusive projects, and deliver human capital development programmes. We provide unique opportunities for growth and self-accomplishment and sincerely care about the well-being of our employees, including beyond the workplace. These are the fundamental principles of our HR approach that reflect and translate our responsibility to employees.

## Doing what we love, creating significant things

To make every employee feel confident and comfortable working for MTS, we develop a corporate culture that not only unites all of us into an efficient digital ecosystem team but also serves as a benchmark for communicating with partners and customers. We continue to adhere to the **#thisisMTS** values, which have become our true corporate philosophy.

We understand the key role of HR processes in transformation of the Company's image as a digital ecosystem with a technology-based and open corporate culture. MTS has adopted an integrated approach to improving training and development programmes, employee support and engagement. It creates an open and friendly environment by incorporating the principles of diversity, equality, and inclusion into its corporate culture.

It is essential for us to be aware of employee opinions on various HR aspects, such as remuneration and social benefits, work-life balance, and professional growth opportunities. To do so, we conduct regular surveys on the HappyJob platform, thus enabling each manager and HR partner to review performance of their teams and schedule improvement measures.

Quote

MTS Vice President for Human Resources



The creation of conditions enabling our employees to treat the company not just as an employer, but rather as a community of like-minded people — smart, talented, proactive, open to partnership and new ideas, has always been and remains the top priority for MTS. Together we set up a comfortable and innovative business environment and encourage an aspiration for development by offering our colleagues various formats and tools for learning and growth.



#thisis MTS values

#MORETHANAJOB

#FORTHECUSTOMER

#FASTINESSENCE

#TAKEANACTION

#DOITCOOL

#TOGETHER

**HR strategy areas**

**2022 Deliverables**

Supporting ethnic and national diversity 

**HeadHunter TOP 10**  
of the largest employers ranking

Providing a comfortable and safe work environment 

**92.4%**

of MTS team members are satisfied with labour conditions

**Forbes PLATINUM**  
(highest) in the ranking of the best Russian employers — 2022

Shaping an inclusive culture 

**69%** of MTS employees

are ready to act as mentors for disabled people

**82%** of executives

are willing to work with disabled people

**Habr Career TOP 10**  
of the best IT employers ranking  
'Breakthrough of the year in the ranking of IT specialties'

Bringing up leaders 

**1+** million hours of training (+24% vs 2021)

**210** million roubles

spent on employee training, a 2-times increase year-on-year

**Changellenge TOP 10**  
of the best IT employers ranking

Promoting a healthy lifestyle 

**22.5** million roubles

spent by MTS PJSC on corporate sports activities

**943** million roubles

spent by MTS Group on voluntary medical insurance in 2022

**People Investor WINNER**  
of the XV All-Russian Competition of Corporate Project — People Investor: Companies Investing in People

Ensuring a gender equality at all levels 

**45%**

share of female MTS Group employees

Implementing volunteer programmes 

**550+** activities

held with the participation of MTS volunteers

**7,500+** ecosystem employees

involved in MTS volunteering campaigns

**CNews100 TOP 5**  
of the largest Russian IT companies ranking

Offering inclusive employment 

**68%** new hires

are under 30

**+5%**

increase in the number of employees with disabilities



**RUSSIAN COMPETITION HR IMPACT**

MTS won the HR IMPACT-2023 professional award. An integrated inclusive MTS is a Company for Everyone project is recognised as the best in the Diversity&Inclusion category

# HR MANAGEMENT DIGITALISATION

Digitalisation and automation of HR processes, including an electronic HR document management, labour relations support, recruiting, motivation management, personnel development, evaluation and remuneration, are not just a trend in these days but a must-have for business development.

MTS' ecosystem-based approach and extensive digital expertise enabled us to build a flexible HR management system primarily premised on in-house IT solutions. As and where necessary, such solutions are integrated for data exchange with other Company's cross-functional systems. This innovative approach and advanced technologies help our team smoothly deal with professional challenges.

## ONBOARDING

### Digital tools for successful onboarding

We benefit from the internal MTS Pulse portal functionality to provide Company-related information, training materials, and access to resources

## COMMUNICATIONS AND ENGAGEMENT. CULTURE

### Simple HR services

MTS makes use of digital services to automate and simplify such processes, as paperwork, leave accounting, and other administrative tasks

## RECRUITMENT

### Digital platforms and online recruitment

Job applicants may participate in online interviews, complete application forms, and send their CVs via specialised HR portals

## COMPENSATIONS AND BENEFITS. WELL-BEING

### Digital tools for assessing competencies, goal setting, surveying, and employee performance feedback collection

The existing solutions help us obtain unbiased information about employee performance and development

## UNIQUE BRAND POSITIONING AND CORPORATE CULTURE

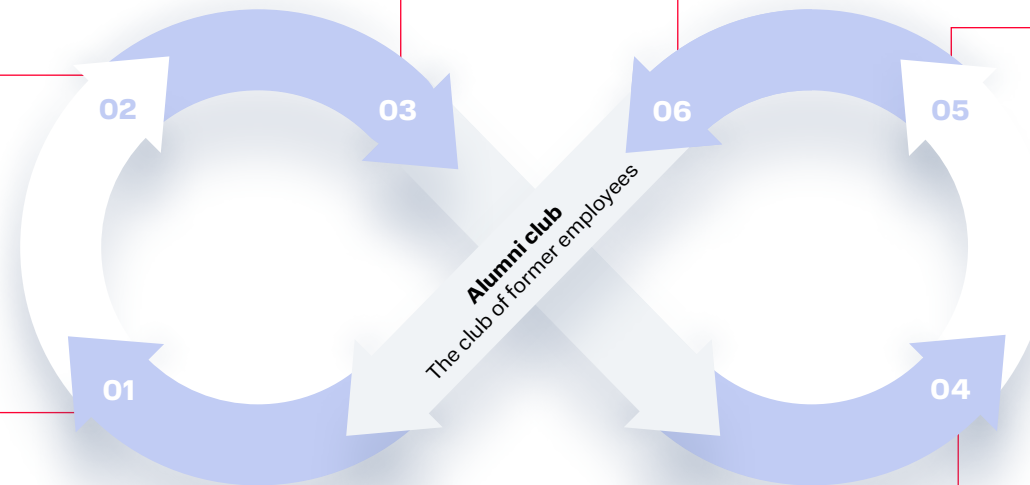
### HR analytics and reporting

Digital tools make it possible to collect and analyse personnel data, review performance of HR processes, and draw up reports to make informed managerial decisions

## TRAINING AND DEVELOPMENT

### MTS Corporate University digital education platform

Employees may receive and improve their knowledge and skills in a convenient form according to individual learning tracks





## MTS Jobs platform

MTS Jobs is an ecosystem platform for employer brand management, communications between job applicants and the labour market.

MTS Jobs combines all marketing and communication HR-linked activities and career events. The platform is designed to acquire and retain talent, enhance the corporate culture, and promote MTS ecosystem brands.

The ecosystem-based approach enables us to offer an unlimited experience covering top business areas to job applicants. Employees extensively contribute to the operation of cross-functional teams, work closely with other units and companies within the ecosystem. Such approach is primarily aimed at making an employee think not only about specific opportunities available to a customer within one product or service but also about how that product may gain new points of growth in related services.



→ We interact with candidates and the labour market on the MTS Jobs ecosystem platform



# OUR TEAM

GRI 2-7 GRI 2-8 GRI 405-1 TC-IM-330a.1 TC-SI-330a.1 TC-IM-330a.3 TC-SI-330a.3

**64+**  
thousand employees<sup>1</sup>  
MTS Group headcount

**36** years  
the average MTS  
employee age

**16** years  
the youngest employee

**74** years  
the most  
experienced employee

**7** years  
the average length of  
service for the Company

MTS creates a working environment that meets high standards. We place a strong focus on the engagement and satisfaction of our employees and seek to build an open and trust-based bilateral dialogue. We set up a favourable environment where every employee has the opportunity to present their ideas and suggestions and contribute to the improvement of our team and business processes.

36% of our employees are based in Moscow, while 62% of them work in Russian regions. The remaining 2% are represented by colleagues based abroad.

Telecoms vertical employees (36,090 people<sup>2</sup>) and IT specialists operating in various areas (8,000 people) make up the largest category. A significant proportion of employees work in the retail network and fintech vertical.

**95.1% of staff work under permanent employment contracts and are full-time employees, 99.3% of employees work full-time**

*Doing what we love, creating significant things*  
The MTS team consists of innovators and leaders who are ready to accept challenges and be involved in continuous development.

Our constant focus on customers helps us create solutions that change life for the better.

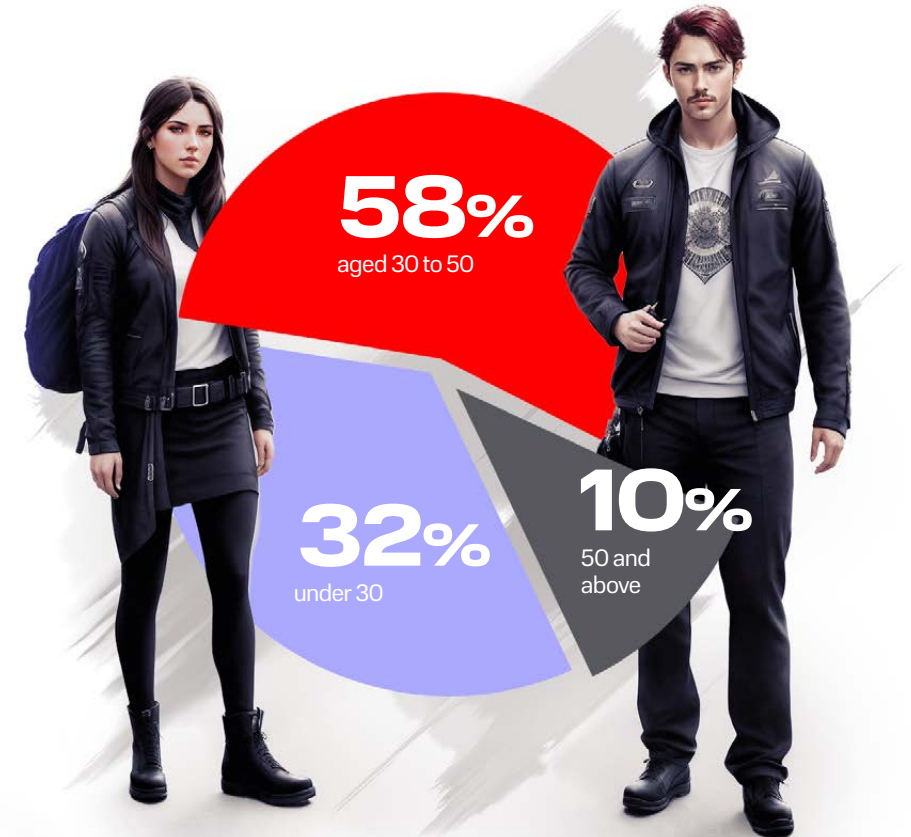
Our team is a robust combination of employees of different ages, education, background, length of service, and profiles. Such a combination allows us to have a variety of experience and expertise.

The group of employees aged 30–50 is the most numerous (58%). One third of employees (32%) are under 30, which attests to our HR brand being positioned as modern and progressive.

Our Company adheres to the principles of equal and fair employment, thus setting up a team, which is balanced by gender and age. In 2022, a percentage of women remained flat, amounting to 45%. Female managers are also distributed evenly: 25% are senior managers, 30% – middle managers, and 46% – junior managers.

MTS Fintech is dominated by women, accounting for 54%.

MTS arranges educational programmes intended to promote IT professions among both male and female university graduates.



<sup>1</sup> Number of employees as of 31.12.2022 including workers who are not employees.  
<sup>2</sup> The data are presented by the economically active number of employees excluding workers who are not employees.

# Employment and Onboarding

GRI 202-2 GRI 401-1 GRI 404-2

A powerful brand attracts talent. We recognise that it is the professionalism and high performance of our employees that are key to MTS' long-term growth and successful development, and strive to build a highly skilled and dedicated team.

In 2022, the Company hired 28,413 employees, of which 46% were women. 68% of new hires are recent graduates under 30.

The Company enhances the practice of hiring locals to strengthen operational and management functions in the regions. The number of senior managers hired from the local community increased by 13% year-on-year.

We dynamically attract young employees to MTS, recognising that they bring a fresh perspective, energy, and innovative ideas to our team, helping us remain dynamic and competitive. That is why, in the reporting period, 27% of our employees had the length of service of up to one year. We believe that acquisition of young talent is an investment in the Company's future.

A share of highly skilled professionals in the total headcount increased to reach 16% in the reporting year.

In 2022, MTS continued to extensively employ IT specialists and increased their hire by 32% year-on-year. It is important to note that every third job applicant hired belongs to the age group from 27 to 32 years old.

**60,000+**  
monthly users

visit the career website [job.mts.ru](http://job.mts.ru)

**7,000+**  
responses

are left by users on a monthly basis

**7,000** events

the Company held on interaction with universities in 2022

## Best Company Award: MTS hit the top 10 attractive companies for IT students and graduates

The Changellenge youth and employer brand platform surveyed 183 attractive companies for IT students and graduates for each industry separately and for the market as a whole. IT (49% of respondents said they would like to work in the IT sector), banking (36%), arts, culture and entertainment (29%), education (27%), advertising and marketing (27%) turned out to be the most popular sectors. According to those surveyed, the most important factors in choosing a place of work are comfort, interesting and significant projects, telecommuting, and flexible schedule. For the third year in a row, MTS has run first in terms of employer brand attractiveness among telecoms companies. Its ecosystem has also won in the Breakthrough of the Year category among IT respondents.

MTS also develops talent acquisition partnerships with universities, professional associations, and networks. In addition, it participates in job fairs and career events. The Company encourages partnerships in master's degree programmes. Company employees include graduates of the country's major universities.

MTS acquires IT talent through hackathons and activities to create innovative solutions, so development, AI, and other areas related to technology and telecoms.

Our IT team does not stop growing — in 2022 we have increased hiring four times.

### NUTCRACKER CHALLENGE FOR DEVELOPERS

In December 2022, MTS organised the world's first project to translate a literary work into programming languages: Nutcracker. Less Words, More Code. More than 1,600 participants, of which 20% were female, chose one of programming languages and translated the text into code. The result was a unique digital artefact — the Nutcracker and the Mouse King fairy tale translated into 5 programming languages at once (Python, Go, C#, JavaScript, and Java) and illustrated by a neural network. The project has proved efficient as an HR tool for identifying IT talent. During the project: **71 CVs** were collected and **27%** participants were employed by MTS.

#NUTCRACKER CHALLENGE

MTS makes use of a wide range of tools to acquire talent. Among such tools is the MTS Jobs platform developed and launched in the reporting year.

Over the year, we posted over three thousand jobs on the website in various areas, of which one thousand were regional ones. The Company is looking for specialists with different profiles: Java, .NET, JavaScript, Python, Golang, mobile development. DevOps engineers, analysts, data scientists, IT managers, marketing and PR, sales and HR experts are also in demand. Our employees work in teams developing digital services based on Big Data, AI, cloud infrastructure and in other product units. People of different experience and expertise are considered for taking up jobs, from beginners, including senior students, to established experts and managers.

On top of that, the Company runs its MTS Jobs Telegram channel to look for digital and IT specialists. In 2022, the number of subscribers to the channel exceeded 15,000.



→ MTS Jobs Telegram channel

## Onboarding

We make every effort to ensure that new hires successfully integrate into the work environment and corporate culture. In 2022, we launched onboarding activities on a new online platform. Our onboarding programme is composed of seven courses that provide information regarding the Company's culture, processes, and mandatory requirements. In addition, new joiners take courses in compliance, occupational health and safety, information security, copyright, and antitrust laws. It is due to the online format that they may plan their time and complete mandatory training within the established deadlines.

In addition, newcomers participate in an online Welcome Day, where they learn about the Company's structure, strategy, and opportunities. As part of this activity, we invite employees from different business units to share their personal success stories and answer questions. This onboarding format allows new hires to become better acquainted with the Company through real practices. Such informal online meetings are also available to long-time employees.

GRI 401-1

We treat employee turnover as a natural growth and development process. Each employee quitting our Company leaves with valuable skills and experience gained during their time with us.

In 2022, the number of employees who left the Company totalled 29,976, a 4% decrease vs 2021. Of those, 89.4% decided to resign, while 10.6% left by agreement between the parties.

Approximately 57% of employees who left had been with the Company for less than a year. It might be an indication to the effect that some employees are brought in for short-term projects or temporary positions. We constantly work to create an attractive and stable operating environment that will encourage the retention of highly skilled employees and incentivise them to stay with us for long. For example, once the employment is terminated, we hold interviews to obtain feedback, understand the reasons for the employee's decision to quit, and identify areas for improvement.

**MTS offers reskilling programmes to help employees master new skills and adapt to changing job requirements**

In order to improve digital competencies, the MTS Corporate University launched the IT for Non-IT People course. It allows trainees to dive into the world of information technologies and gain the necessary knowledge and skills.

The course covers the following topics:

- What is IT and development
- Backend
- Frontend
- Mobile development
- Machine Learning and Data Science
- Testing
- MTS x MTS Digital development organisation

**> 4,200**  
employees

choose the course 'IT for non-IT students' in 2022

**17.8%**  
employee turnover in 2022<sup>1</sup>

<sup>1</sup> The data are shown without employees of retail outlets and Customer Service Centres, as these segments have a high turnover rate typical for their type of activity, which may distort the consolidated data.

## Motivation and rewards

GRI 202-1 GRI 404-3 GRI 405-2

### Salary

MTS Group motivates its team members by providing them competitive remuneration. Salaries include a fixed and a variable part and depend on an employee's performance and contribution.

#### Fixed part

- Performance of job duties
- Required level of competencies

#### Variable part

- Achievement of key performance indicators

**91.3 billion roubles**  
the Group's payroll expenses (+18.5%)

**81,326 roubles**  
the Group's average salary<sup>1</sup>

The MTS survey showed that 68% of employees are satisfied with their salary levels. The level of remuneration at entry-level positions complies with the effective legislative requirements.

The Company provides equal opportunities and fair remuneration for both women and men. Our approach to determining the salary of a new employee is based exclusively on an assessment of the candidate's professional level and the competitive situation in the labour market. Employees who perform the same duties and demonstrate comparable performance receive equal remuneration.

### MTS launched a stock incentive plan for product development professionals

MTS has been running a long-term stock incentive plan since 2022. The plan is a tool to attract and retain talented professionals and to encourage their personal interest in the success of the Company. It covers over 300 digital product managers and IT experts. Each participant is granted a three-year MTS stock option. The number of shares received by product development experts depends on the product performance and the value of MTS shares.

A total of 1,200 employees took part in motivational programmes tied to the value of MTS shares in 2022.

### Performance evaluation

All Company employees undergo an annual evaluation of the achievement of individual and corporate key performance indicators (KPIs) and competency development using an automated system. Efforts to improve the KPI system continued in 2022, including an increase in the number of cross-cutting team indicators that make it possible to combine teams in the most effective way to achieve common goals.

In 2022, 51% of MTS team members got their performance evaluated.

Based on the results of the evaluation, a development plan is drafted. In addition, managers of various levels undergo a one-time assessment to identify strengths, growth areas, and to prepare recommendations for development.

At the request of managers, employees are evaluated using a 360-degree method through an internal platform that enables individuals to get feedback from managers, subordinates and colleagues. The goal is to define the strengths and areas of development of employees. In 2022, 60 surveys were conducted.

The high-quality work and contribution of MTS employees in various areas are highly appreciated by the expert and professional community. In 2022, the number of departmental awards received, including commendations and certificates of honour, totalled 496, a 22% increase over the previous year.

<sup>1</sup> The Group's average salary is 24% higher than the average monthly nominal salary in Russia, according to Rosstat.

## Social package

GRI 401-2

MTS cares about social support and protection of its employees, fully provides social protection in accordance with the effective legislation, including some additional benefits.

**16.4**

billion roubles

MTS Group's insurance contributions (+13%)

**340**

million roubles

social guarantee costs (+13%)

## Key social benefits for MTS Group employees

### Business mobile

The programme applies to all employees of MTS Group if there is a business need, except for employees working one hour per week (1/40). Expenses reimbursed within the limit corresponding to a job grade.

### Subsidised travel to vacation locations for employees of the Far North regions

Applies to staff working in the regions of the Far North and areas deemed equivalent thereto.

### Corporate sports

22.5 million roubles was spent on corporate sporting events (work-outs, team competitions, sports days, corporate team races).

### Corporate transport

If there is a business need, regardless of the length of service, working hours or contract term. MTS PJSC's expenses amounted to 58 million roubles in 2022.

### Voluntary health insurance

Provided to all employees at their main place of work, except for those on fixed-term employment contracts valid for less than three months or those working less than a third of the normal work hours. 2022 saw the Company expand its voluntary health insurance (VHI) programme with employees entitled to use such services from their first day with the Company.

### Massage

6.5 million roubles was allocated to provide massage services to MTS employees in 2022.

### Rent compensation for executives

Provided under the relocation compensation package.

### Support for hobby clubs and communities

MTS supports a chess club, the 'MTS Terra' environmental awareness project, the 'On the Move' sport programme, intellectual games, including Sferum, and the Dauphamine creative project. In 2022, the Company's expenses to develop corporate hobby communities totalled 30.1 million roubles.

### 'Cafeteria of Benefits' programme

an individual set of benefits is created in accordance with an employee's preferences. The programme costs amounted to 107 million roubles in 2022.

### Financial assistance

Provided to all employees at their main place of work, except for those on fixed-term employment contracts valid for less than three months or those working less than a third of the normal work hours. MTS PJSC's financial assistance costs amounted to 16.6 million roubles in 2022.

### Temporary disability benefit

Depending on the length of service with the Company, but irrespective of the working hours and contract term. Additional sick leave expenses amounted to 84.8 million roubles.

### Best Benefits discount programme

Covers all employees. Special offers and discounts from the company and partners.

### Children's parties and gifts

MTS expenses related to activities for children amounted to 18 million roubles in 2022.

### Accident and illness insurance

Provided to all employees at their main place of work, except for those on fixed-term employment contracts valid for less than three months or those working less than a third of the normal work hours. The programme costs amounted to 19 million roubles.



# HEALTH AND SAFETY

MTS continues to implement its Strategy in the field of health, safety, and well-being based on the Vision Zero concept, which was adopted in 2021<sup>1</sup>. We work to protect the health and well-being of our employees at their workplaces. To this end, we create safe and comfortable working conditions, improve staff competencies and develop a safety culture.

## Occupational safety management



MTS has an occupational safety management system (OSMS) in place that fully meets the requirements of national legislation of the countries where the Company operates. The Group has adopted an Occupational Health and Safety Management System Policy and a number of local regulations governing the main issues in the field of occupational safety and employee health. They contain the basic requirements and instructions in the field of occupational safety, including establishing the procedure for internal control over the working conditions. The OSMS of MTS PJSC, including in the territory of the Republic of Belarus, has been certified to ISO 45001.

and functionally reporting to the Vice President for Human Resources. In subsidiaries, such matters are addressed by the bureau/centres of occupational safety.

In 2022, MTS continued to implement the 2021–2023 occupational safety strategy and retained the structure of occupational safety management, the procedure for assessing the effectiveness and planning of safety measures, and the requirements for contractors to comply with occupational safety standards.

Occupational safety issues are the responsibility of the Occupational Safety and Health Department directly

### The key areas of occupational safety management work at MTS are:

- preservation of life and health of employees in the process of labour activity;
- constant and continuous improvement of the occupational safety management system;
- recording and analysing the state of industrial injuries, identifying and investigating the root causes of injuries with employees and contractors of the Company, and taking measures to prevent industrial injuries and occupational diseases;
- continuous identification of occupational risks and their management;
- relevant and high-quality training of managers and specialists on occupational safety issues;
- motivation of employees to follow safety rules and build awareness;
- engagement of employees in the development of a culture of safety.

**167.4**  
million roubles<sup>2</sup>  
MTS Group's occupational safety costs in 2022

<sup>1</sup> An approach to preventing occupational injuries and occupational diseases that combines three areas: safety, occupational health, and the well-being of workers at all levels of production.

<sup>2</sup> In 2022, labour protection costs for the Group decreased slightly due to the completion of projects aimed at combating COVID-19.

**Assessment of working conditions and risk management**

GRI 403-2 GRI 403-6

To effectively manage safety risks and prevent injuries, we conduct a special assessment of working conditions, assess and mitigate occupational risks by providing employees with personal protective means, including dermatological ones, benefits and compensation for harmful working conditions.

Most of the workplaces were characterised by acceptable working conditions, while harmful working conditions were only identified in 127 cases.

The Company provides free of charge overalls and personal protective equipment to employees working in harmful and/or dangerous working conditions. For example, some subsidiaries have organised the timely provision of certified overalls, special footwear, and other personal protective equipment to 3,190 employees; milk and other equivalent food products, juice products with pectin content to 416; and flushing and neutralising agents to 1,457 employees. Upon hiring, employees of such specialties undergo preliminary, and later periodic medical examinations with the goal of monitoring the health status of workers for the prevention and timely detection of occupational and general diseases.

**In 2022, we conducted a special assessment of working conditions at 35,233 workplaces**

In order to timely identify and prevent the causes of injuries, we investigate safety incidents. In 2022, the Company's 2019 standard 'Requirements for conducting accident investigations' was supplemented with a procedure for accounting for and investigating microtraumas, which should help prevent more serious injuries at an early stage. No microtraumas were recorded in employees during the reporting year.

**9,867**  
employees

of the Group underwent preliminary and periodic medical examinations in 2022

**Communication and improvement of occupational health and safety competencies**

GRI 403-4 GRI 403-5

Conscious motivation to safety is fostered by a competent approach of managers. It is them who set the tone at MTS by creating an environment of trust and open communication at all levels, ensuring the availability of information and helping improve employee competencies.

Employees may report health and safety issues, complaints, suggestions, and information on the detection of hazards or injuries by mobile phone or e-mail. There is also an occupational health and safety community on the internal portal of MTS, where more than 50 educational and motivational materials were published in 2022.

We organise training for employees in occupational safety, fire safety, electrical safety and safety culture. Internal training is provided in distance learning format using the Colossus special training programme, as well as in the Virtual Academy distance learning system developed by the MTS Corporate University.

During health and safety briefings and training, employees learn to identify hazards and assess possible consequences before starting work.

**57,624**  
employees  
received external and internal occupational safety training



## Care for employee health and well-being

GRI 403-3 GRI 403-6 GRI 403-10

### Flexible schedule

We believe that the right balance of work and personal life enhances work productivity, which is why we have provided for the possibility of part-time employment, as well as fully remote work. In the reporting year, the share of employees covered by flexible forms of employment increased.

**25%** employees

worked in a hybrid format combining remote work with office visits (23.5% in 2021)

### Disease prevention

Prevention of occupational, seasonal and other diseases is an important element in ensuring the social well-being of employees. For three years in a row, the Company has not registered a single occupational disease.

In 2022, with the support of MEDSI Group, we continued to implement a comprehensive employee health check programme as part of the 'Be Healthy with MTS' project, which includes laboratory, instrumental and functional diagnostics.

### Participants of the 'On the Move' programme

The '**On the Move**' sports programme features several tracks that bring employees together each year.

We hold regional sports challenges. Members of the running and cycling clubs participate in various external competitions.



Fit (online work-outs)

**1,638** people



Balance (webinars and psychological practices)

**1,300** people



Running club

**937** people



Cycling club

**610** people

### Medical services

MTS Group provides VHI and accident insurance to its employees. Employees working in hazardous working conditions undergo preliminary and regular medical examinations before they are allowed to perform work and for further monitoring of their health.

Company employees have the opportunity to conclude a VHI contract for their relatives with a 50% discount, with the employer and the employee splitting costs on a 50/50 basis. In 2022, 1,953 people were insured under the insurance programme for relatives, including 1,042 children.

**943** million roubles

MTS Group's voluntary health insurance costs in 2022

**In 2022, we expanded the social package for employees, making VHI available from the first day of work**

## Injury prevention

GRI 403-9

Due to the specifics of the Group's operations, drivers, technicians working at heights and in electrical installations, and staff working with consumers of the Company's services are at greater risk of workplace injuries. Most injuries arise from falls, slips, traffic accidents and conflicts with third parties.

A total of 16 accidents occurred in 2022, including one serious injury as a result of an employee in the Moscow Region falling from a transformer staircase.

We are also aware of the likelihood of injury to employees in emergencies and do our best to minimise the negative impacts on people's lives and health. To this end, the Group conducts theoretical training for personnel and regular fire safety training.

**We analysed the injury statistics and implemented a number of organisational measures to prevent fatalities in 2022**



# TRAINING AND DEVELOPMENT

GRI 404-1 GRI 404-2

We value our employees' commitment to continuous development and develop educational programmes, trainings and courses that enable our employees to expand their knowledge and skills in various fields. In addition, we support technological entrepreneurship, inspiring our team to come up with creative and innovative ideas.

We recognise the importance of continuous learning and strive to create a supportive learning environment that enables employees to acquire new knowledge and skills and grow professionally.

**1 million hours of training<sup>1</sup>**  
(+24% compared to 2021)

**726,000**  
the number of completed courses  
(an increase of 2.7 times compared to 2021)

**210 million roubles**  
was spent on training of MTS Group employees in 2022

**MTS Group has its own Corporate University. Each employee has the opportunity to develop and improve their soft and hard skills. This is achieved through a variety of courses, interactive tools, and other educational content provided by the Company. There are about three thousand training courses in various areas in the portfolio of the University. Materials in various formats have helped change employees' attitudes towards corporate training: in a few years, the share of self-selected courses has grown from 18% to 61%**

In addition, MTS's electronic corporate library provides free access to training videos and business publications. In 2022, the number of library users exceed 13 thousand people, number of reading hours is consistently above 30 thousand.

Individual formats such as coaching, mentoring, career and psychological counselling are also available to employees in all key branches and business units of the Group for professional development and improving personal and team efficiency.

In the reporting year, 4,007 employees completed in-person internal training, up 5.4% year-on-year. External classroom training was completed by 3,382 people.



## MTS Corporate University wins HR Brand Award

The educational platform of the MTS Corporate University won HR Brand Award in the Federation category among 50 projects implemented in several regions of Russia. Leading industry experts assessed the relevance of HR project concepts, modernity of implementation methods and effectiveness.

→ For more information on corporate training at MTS, see the ['ESG Dashboard. Responsibility to Employees'](#) section

<sup>1</sup> The Company's internal methodology for calculating the indicator, according to which the duration of the course is 30 minutes.

# Internship programmes

## 'MY START WITH #FINTECH'

Internship programme at MTS Fintech. In 2022, it was attended by 179 trainees, 73% of them joined the staff.

We also invite students to take career guidance excursions to the offices of IT and Fintech directions

Quote

Trainee of the Centre for Automation of Commercial Functions within the framework of the MTS Intro programme

“

I am 47 years old, and I have been working at an electric grid company as leading electronics engineer for 23 years. Optimisation has recently started, so I had to choose: either moving or working remotely with the code. MTS has already hired me, but before that I completed a three-month internship.

”

Over 25% of interns became the Company's full-time employees, and about 45% of interns continued to develop their careers with the Company in the IT area.

As part of training and recruiting young talent, MTS has a student internship programme **MTS Intro**. It enrolls students throughout the year. Vacancies for potential interns are opened in all key business verticals of the Company. The duration of the internship is from one to six months. Internships are also available in remote and hybrid formats and can be combined with studies that is, the number of hours per week can be selected based on the workload. For example, it is possible to train full-time, that is, 40 hours a week, or you it is possible to train only half a day, that is, 20 hours a week.

Starting from 2022, both students and graduates of educational institutions may take part in MTS Intro, regardless of their year of graduation. During the year, 571 participants completed an internship in business and IT areas.



→ Internships – MTS Intro



The concept of enterprise-wide corporate competencies facilitates the creation of a unified culture and standards of conduct in the Company, as well as consistency in the assessment and development of employees.

Thinking

**SHARING EXPERIENCE AND THINKING CROSS-FUNCTIONALLY**

I know who works and what happens around me, who deals with related issues and tasks

**GETTING TO THE POINT**

I get what's important and act rationally

Action

**DOING THE BEST ONE CAN**

I don't do it for the sake of doing, I do it for the sake of achieving results

**BEING PROACTIVE, NOT WAITING FOR SOMEONE ELSE TO PERFORM A TASK**

I don't expect to find someone to do it for me: I research the problem, find the right information, organise the process

People

**RESPECTING ONE'S OWN AND OTHERS' TIME**

I make my point by providing clear and concise arguments

**PUTTING ONESELF IN THE CUSTOMER'S (BOTH EXTERNAL AND INTERNAL ONES) SHOES**

I put myself in the customer's place dealing fairly with their requests and focusing on the final result they will get

**Significant staff training initiatives in 2022**

**‘Experts’ project**

A project to preserve and distribute unique knowledge throughout the Company. The project is based on the involvement of internal experts and the use of MTS Blog’s own platform, which is a place for sharing knowledge and experience. The platform hosts 39 blogs, seven of which are run by MTS experts. The total number of users of the platform reached nine thousand.

In 2022, 65 people asked experts for help and took part in master classes and project seminars, which attests to the importance of the initiative.

**‘Public Speaking’ course**

The course contains an algorithm for preparing for public speeches and is useful to all those who speak at conferences, internal corporate or external events.

The results of the Public Speaking course are impressive, with 208 MTS employees completing the course in 2022.

**39** blogs

have been hosted on the platform MTS Blog

**9,000** people

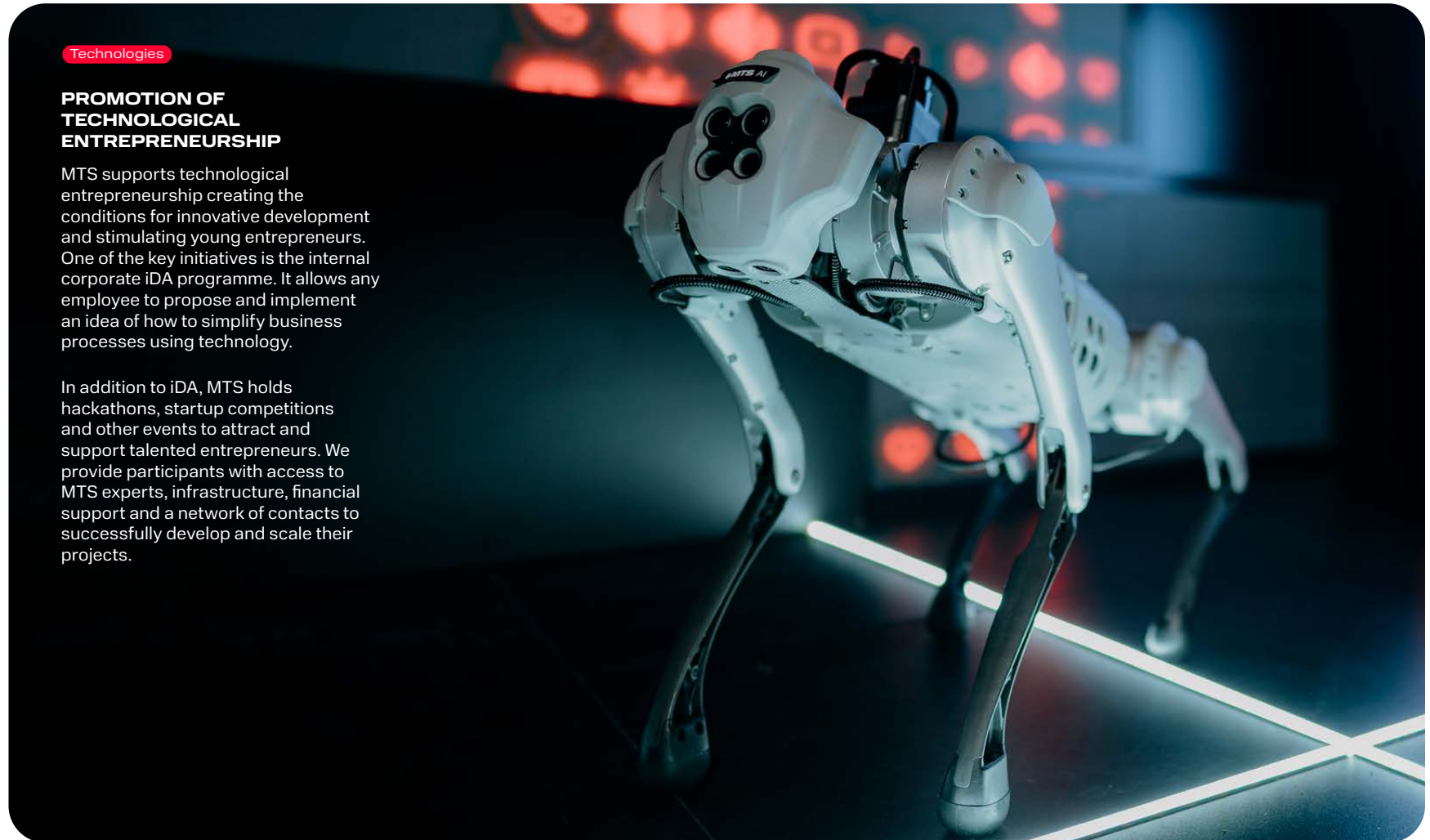
number of platform users

**Technologies**

**PROMOTION OF TECHNOLOGICAL ENTREPRENEURSHIP**

MTS supports technological entrepreneurship creating the conditions for innovative development and stimulating young entrepreneurs. One of the key initiatives is the internal corporate iDA programme. It allows any employee to propose and implement an idea of how to simplify business processes using technology.

In addition to iDA, MTS holds hackathons, startup competitions and other events to attract and support talented entrepreneurs. We provide participants with access to MTS experts, infrastructure, financial support and a network of contacts to successfully develop and scale their projects.



# CULTURE OF SUPPORT AND OPEN DIALOGUE



TC-IM-330a.2

TC-SI-330a.2

**24.5%**

eNPS<sup>1</sup> growth

## Engagement and satisfaction

To understand the social well-being of employees, MTS regularly assesses employee engagement and satisfaction.

**92.4%**

satisfaction (a 3.7% growth)

Respondents evaluate the effectiveness of the work environment (processes, quality of management, interaction with colleagues, corporate culture, etc.), and provide feedback on their satisfaction with the level of remuneration and other working conditions in the Company. The survey results help identify areas that require additional attention and correction and improve the work environment #together with teams and employees. For the Company, measuring these indicators is also another way to get feedback from employees. We expect honest answers from employees, and to make them as comfortable as possible our survey is conducted anonymously and with the involvement of an external provider.

MTS plans to maintain and improve the achieved results, and to perform a detailed analysis of engagement indicators by function, division, and role. This approach is designed to prevent the risk of lower performance and higher staff turnover and to identify specific areas for improvement. In addition, we intend to identify and implement best employee engagement practices.

According to the 2022 survey results, employee engagement increased by 6.4%. Employees mentioned the following significant positive changes at the Company – improvements in work processes and preferential offers and the option of choosing a flexible format of work. In addition, our strengths, according to the team, are open and transparent career development opportunities, new projects and tasks, and satisfaction with the workplace and equipment. Employees are willing to stay with the Company and recommend MTS as an employer.

**87.7%**

loyalty (a 6.4% growth)

**93%**

employee engagement level at MTS Group

The measured HR indicators are growing steadily year-on-year reflecting the effectiveness of the Company's efforts in this area.

## Corporate events

provide an opportunity for employees from different divisions and geographies to meet in person, share experience, strengthen contacts, and discuss important issues

**800+** employees

from 76 regions took part in the annual Champions' Race aimed at encouraging regional divisions to improve their performance. Teams compete in various categories such as sales and customer service

**700+** children

of MTS employees took part in the Kids Day. They got acquainted with their parents' work and interesting aspects of technology and telecommunications

**7,500+** participants

were brought together by MTS Birthday, which was a significant event in the Company's life

<sup>1</sup> Employee Net Promoter Score.

## Internal communications

Internal communications at MTS play a key role in ensuring effective interaction and information exchange between employees. They serve as the basis for creating a single team and ensure the distribution of the Company's strategic goals, values, and policies.

We have developed and implemented a number of tools and practices to ensure transparency and timely communication of information within the Company.

One of the most important tools is the internal corporate portal that provides employees with access to up-to-date news, important information on the Company's strategic and tactical initiatives, and various resources necessary to perform work tasks. We also actively use e-mails, discussion groups, internal chats, and video conferences to communicate and share information between employees. These means allow fast and effective communication, even if employees are located in different cities or countries.

Fourteen campaigns on topical social issues were organised in 2022 with live feedback sessions where we promptly answered questions and shared up-to-date information. We also held a number of online webinars, each attended by 300 to two thousand people.

An important aspect of internal communications at MTS is the active involvement of managers at all levels. Managers play a leadership role, ensuring transparency and openness in communications, and sharing strategic decisions and changes affecting employees work.

All these practices are aimed at creating an environment of mutual trust, effective cooperation, and knowledge sharing within MTS. We strive to ensure that each employee has access to the information necessary to perform their tasks and feels like a part of the large team working together to achieve common goals.

MTS also uses other tools of corporate communication to strengthen the team spirit and support interaction between employees.

## Plans for 2023

Include the development, cascading, and implementation of unified standards of internal communications, including the tone, mindset, and visual style, in accordance with the cultural transformation and the updated MTS brand.

## Feedback

MTS is creating a culture of regular meetings between employees and managers. We have launched the course 'One-to-one conversations: meetings with employees that develop the business' and webinars to exchange experience with experts.

In addition, we are developing the feedback service 'MTS Karma' that allows our colleagues to thank each other, see reasons and grounds for exchanging feedback, and improve cooperation and productive interaction processes. In 2022, the number of unique users per month increased by 15% to 14,782 compared to 2021. This increase was due to the fact that MTS held themed events that allowed employees to support each other on occasions important for the Company and drew attention to the importance of feedback.

1,066 employment-related requests were filed through official grievance channels in the reporting period, which is 19.2% more than in 2021. This proves the efficiency of our efforts to promote the principles of an open dialogue.



### MTS PULSE PORTAL

Personal space for employees to communicate and find useful information

**40,000**  
users per month

Key changes in 2022:

- ease of use
  - improved portal sections
  - better integration with the Our MTS application
- optimised performance
  - connection of new MTS Group companies
- expanded user penetration
  - a set of measures to improve functionality and ensure search optimisation
- redesign
  - new portal architecture
  - end-to-end navigation for all the Company's internal products

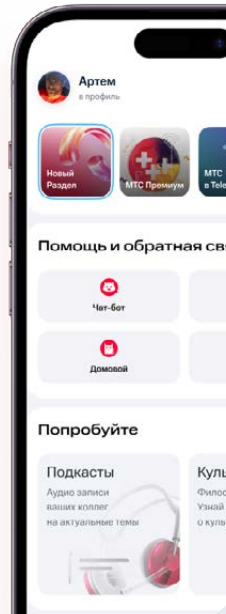
### OUR MTS MOBILE APPLICATION FOR EMPLOYEES

The mobile application for employees contains main news, internal services, and an employee directory

**13,500**  
users per month

In 2022, the following functions were added to the application:

- caller identification
- HelpDesk chatbot
- information on business trips



### OPEN DIALOGUE WITH THE PRESIDENT OF MTS

The goal is to create an open and transparent environment where employees can express their opinion, ask questions, and get straight answers from senior management.

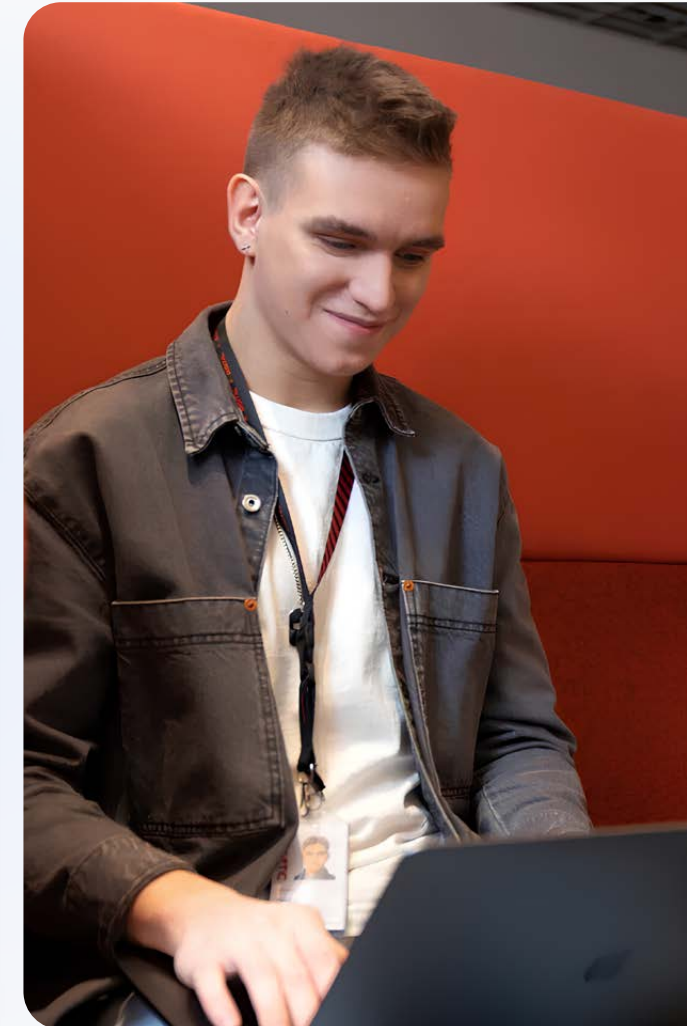
In 2022, we held four open dialogues with the President of the Company where he answered employees' questions.

### THE SFERUM INTELLECTUAL CLUB

Platform for intellectual development and social interaction of employees.

In 2022, 1,300 MTS employees from various regions made 245 teams to participate in the 'What? Where? When?' corporate league competitions in the format of a quiz.

The final was held in Moscow.



# DIVERSITY AND EQUAL OPPORTUNITY

GRI 2-23 GRI 2-30 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 410-1

An inclusive culture for us is what we really believe in, the principles and values that we share and integrate smoothly into our business. Our HR function strives to ensure that people having different health conditions, capabilities, and talents work at MTS confidently and comfortably – and to achieve this, we create a flexible and open corporate culture. But there is still much work to do in this area – we are planning a number of new projects to create an accessible environment both inside and outside the Company. We are putting together a team where everyone has a voice and an opportunity to make a contribution. We welcome the uniqueness of each employee and value their talents, experience, and prospects. The diversity of MTS is not only the recognition of and respect for differences, but also the power to open up new horizons and overcome difficulties.

### Our priorities:

- compliance with human rights obligations;
- monitoring and assessing the business impact of the respect for human rights;
- improvement of the feedback mechanism.

We adhere to the principles of respect for human rights and creation of an inclusive and diverse work environment. MTS strives to support and protect the rights of all people coming into contact with our Company, regardless of their origin, beliefs, and capabilities.

113 calls related to human rights were received by the Unified Hotline in 2022. The absolute majority of calls concerned ethical issues: bullying, various abuses, unethical behaviour or communication that did not comply with the MTS standards.

Investigations confirmed that there were violations in 40 out of the 113 cases. Noncompliant employees were subject to disciplinary sanctions.

At the same time, only six calls were related to discrimination on any grounds or harassment. MTS assesses human rights risks and takes steps to prevent and mitigate these risks.

Conflicts of interest were addressed in accordance with the Company's Diversity, Equity, and Inclusion Policy and the Code of Business Conduct and Ethics.

Awareness-raising discussions were held with employees who did not comply with the Company's internal regulatory documents to resolve the conflicts and prevent their recurrence in future. Recommendations for eliminating the identified deficiencies were made.

No violations of the right to freedom of association and collective bargaining or instances of discrimination were identified during the reporting year.

Human rights training is an integral component of preventing discrimination and creating a favourable environment in the Company. Each employee can take the 'Human Rights in the Workplace' course on the MTS

Corporate University platform. The course provides an understanding of relevant legal aspects and actions to be taken if facts of discrimination or other human rights violations are identified.

In 2021, the Group adopted the DE&I Policy that defines the principles and activities of MTS in this area.

The most numerous inclusive groups the Company deals with are people with disabilities and health disorders, young specialists, mature-aged people, and employees requiring additional rehabilitation.

In 2022, a comprehensive audit of the Company's business processes in terms of DE&I metrics was performed, and growth points were identified. Throughout 2022, MTS consistently implemented projects to engage with inclusive groups through recruitment of inclusive candidates, audit of processes and workplaces, training of managers, recruiters and employees, involvement of the Company's employees in its inclusive volunteer theatre, and other socially inclusive projects.

At the same time, we have a lot of work ahead of us – we are planning a number of new projects to create an accessible environment both inside the company and outside its perimeter.

# Inclusive culture

## INCLUSIVITY

means creating equal opportunities for participation in the life of society for people with varying experience regardless of their personal qualities. Inclusion is a set of practices used to maintain diversity in society, ensure physical and information accessibility, and prevent exclusion and discrimination.

**No equity:** the dominant group or ideology becomes the basis for decision-making and job promotion

## EQUITY

means that each person may freely and on equal terms participate in any area of life, without prejudice to his/her rights or without being treated less favourably due to any of his/her unique qualities or characteristics. Equity also implies equal access to services and resources.

M

T

MTS uses the full potential of the employee, where innovation flourishes, and views, beliefs and values are united

S

**No inclusivity:** cultural assimilation flourishes resulting in reduced motivation and performance

## DIVERSITY

means recognition and understanding of and respect for the value of human variability that makes every person unique. The principle of diversity also implies the absolute value of unique individual qualities, characteristics, and experience that affect the views of a person, his/her opinion, and approach to life. Diversity is achieved, among other things, through inclusion.

**No diversity:** an excessively homogeneous structure, a 'typical' corporate culture, and a simplified view of things

### Parental leave

The Company provides equal opportunities for both women and men to take parental leave. 6,773 women took parental leave in 2022. The total number of employees entitled to parental leave was 9,846, of which 83% were women.

In addition, fathers are granted additional paid days off when their child is borne.

All employees are granted an additional paid day off when their child starts school. The Company provides an opportunity to spend this special day with the child and support him/her on this important occasion.

### Results of implementing DE&I in the Company's culture

**60%**

of employees and managers of the ecosystem are willing to promote an inclusive culture in the Company

**82%**

of managers are ready to work with people with disabilities

**+25%**

is the growth in the share of employees aged 45+ across MTS Group compared to 2019 (~16% of the total headcount)

**1,000+**  
employees

received training in how to communicate with people with disabilities at the MTS Corporate University as part of the MTS Inclusion special educational programme

**1.5** times over the year

increased the number of HR applications for recruitment with willingness to consider candidates with disabilities and health features

**fivefold**

growth (up to 40%) in the assessment of the ease of employment with MTS for candidates with disabilities (internal survey of MTS employees with disabilities) compared to 2021 (survey by Perspektiva, a regional public organisation)

**279** employees  
with disabilities in MTS Group

### Inclusive employment



### MTS Day project

Seven cities hosted the MTS Day event for candidates of all categories, including people with disabilities, young specialists, and candidates aged 50+. As part of the event, candidates received training, participated in workshops, including those on financial and digital literacy, and also submitted CVs for available vacancies at MTS Group. About 40 thousand people attended the event.

## MTS Inclusive Employment Programmes

Area	Programme	Description	2022 results
Programmes to support employees aged 50 and older	MTS is a Company for Everyone	<p>The project is aimed at solving specific problems and addressing societal needs: ensuring an inclusive environment, diversity, and equality that allow the Company to make use of a wider range of employee characteristics, experience, and views. More than 60 thousand people are covered by the project.</p> <p>The unique features of the project include:</p> <ul style="list-style-type: none"> <li>• development of a recruitment campaign for employees aged 50+</li> <li>• organisation of a comprehensive socialisation, training, and adaptation programme for employees aged 50+, and cooperation with regional Employment Centres of the Russian Federation</li> <li>• development of an inclusive corporate culture and tolerance for special groups of employees within the Company and communication of this policy to external stakeholders</li> </ul>	<p>A larger share of mature-aged employees in the total headcount, lower expenses to fill one vacancy, a high level of readiness of employees to be ambassadors for the Company's inclusive culture, and an increase in the index of satisfaction of customers aged 45 and older with MTS services</p> <p>Winner of the HR IMPACT award in the category 'DIVERSITY &amp; INCLUSION: Best project to create equal opportunities in the work environment'</p> <p>Winner of the 'People Investor: Companies Investing in People' award in the category 'Human Resources Management' for the comprehensive inclusion and diversity project 'MTS is a Company for Everyone'</p>
	'Entrepreneurial Culture and Tools' course for women on maternity leave and people aged 50 and older	<p>The programme is free of charge and is held as part of the federal project 'Promotion of Employment' of the Demographics National Project. The main goal of the programme is to introduce participants to the entrepreneurial culture and tools through the acquisition of special knowledge and skills to develop their leadership abilities and improve the organisational culture at the Company</p>	<p>The training period was four weeks with flexible attendance. All participants received certificates in total amount 170 hours</p>
Internship programmes with further employment for young people	MTS Intro	<p>This is a paid internship programme for students and graduates. The programme provides for implementation of real projects under the supervision of mentors, and there is an opportunity to combine work with studies</p>	<p>571 students did internships at MTS in 2022. The intern-to-full-time conversion rate is 45% depending on the line of business</p>
	Moove	<p>Additional education programme for students aimed at developing their soft skills and skills in managing IT product launches. This is a three-year programme implemented jointly with a leading business school. It includes analysis of actual business cases, lectures, workshops, personalised advice, and coaching</p>	<p>In 2022, 1,028 applications were received (against 681 in 2021), and 42 students were admitted to the 4th year of the Moove programme (for the 2022–2023 academic year). Graduates mainly build careers in digital companies and start-ups, including in the businesses of the MTS digital ecosystem. A total of 175 young professionals received training during four years</p>

## MTS Inclusive Employment Programmes

Area	Programme	Description	2022 results
Employment programmes for people with disabilities	Data annotation training course	MTS AI, together with the 'Netology' project and Ntech-Lab, launched a data annotation training course for people with autism spectrum disorders and other health disorders. Graduates of the course will be able to do internships and be employed with the Company as developers	The course was attended by more than 100 people
	'Path to a Career'	The competition aims to create equal opportunities for young people with disabilities and help them overcome barriers to employment and career growth	The Path to a Career competition for young specialists with disabilities, including IT specialists, was held in six regions together with Perspektiva, a regional public organisation of the disabled. Over 300 young people took part in the competition in 2022. Finalists were given the opportunity to do an internship
	'Mentors' project'	MTS employees from various regions of the country acted as mentors for people with disabilities in the online format. As part of the programme, mentors told their mentees about the specifics of their professions and work at MTS, about the rules of preparing a CV and succeeding in a job interview, shared their professional and personal experience, and resolved a case in the mentor's area of work	70% of the mentors were MTS IT employees
Care for employees having children	Programme for guardians	MTS has a programme for guardians. Employees who plan to adopt a child/ obtain guardianship of a child and employees who have adopted a child or have obtained guardianship of a child are granted additional paid vacation days	
Career guidance tours for children from children's social institutions		These tours provide children with a unique opportunity to learn about professional activities, work processes and MTS products, as well as about IT and telecom professions and career opportunities	15 such tours were organised in seven Russian regions in 2022. As part of the project, a programme was launched where MTS employees became mentors for children from orphanages

## Comfortable work environment

Comfort and ergonomics is the 'motto' of the workspace organisation.

**83%**

of employees say they are satisfied with their physical working conditions

The Company provides flexible working conditions, including the option of remote work. This format allows employees to effectively arrange their working hours, communicate, and participate in projects wherever they are located. In 2022, 75.6% of MTS employees worked remotely in Moscow, and 46.1% of MTS employees worked remotely across the country. More than 25% of employees continue to work in a hybrid mode.

**83%**

of the MTS team members are satisfied with their workplace, office or work equipment

In 2022, an accessibility audit of workplaces for employees with disabilities was performed in MTS offices. The audit helped assess the compliance of MTS offices (infrastructure, territory) with the criteria for accessibility. Based on the results of the audit performed by the All-Russian Society of Disabled People, a certificate of accessibility of MTS offices was obtained. An internal survey of employees with disabilities revealed that 80% are satisfied with the work environment.



# DEVELOPMENT OF VOLUNTEERING



Volunteering at MTS is a source of inspiration that unites employees to make the world a better place. Every year, MTS volunteers take part in various charitable and social projects, generously investing their time and energy in supporting young people, older people, environmental protection and other projects of social and environmental significance.

Corporate volunteering plays an important role in the Company's social activity. In 2022, more than 7,500 employees of the ecosystem took part in MTS volunteer events.

The most popular areas of volunteering among employees were:

- support and help for orphans;
- support and help for older people;
- support for environmental initiatives;
- donation of blood.

MTS has a donation programme that helps employees to become donor volunteers.

**In 2022, MTS volunteers donated more than 450 litres of blood**

**7,500**  
participants of MTS's  
volunteer movement

**550+**  
events  
involving MTS volunteers

## MTS volunteer's profile

An MTS volunteer is a person with a big heart who is willing to share his/her time and resources to support those in need.

### Gender

Women are more likely to become volunteers. Men are particularly active in specific assistance, e.g., during the COVID-19 pandemic.

### Specialisation

Most volunteers are line specialists and line managers.

### Career

Many volunteers start their career as ordinary employees and move to management positions in their main job.

MTS volunteers were praised for their contribution to the development of the volunteer movement and socially important public activities.

## 'My Communications Country'

In the reporting period, 'My Communications Country' (Moya Strana SvyaziYa) career counselling project carried out by employee volunteers was relaunched. The SvyaziYa programme includes interactive master classes, a team quest and a telecom and IT quiz for schoolchildren. Young participants try their hand at working as communications specialists, learn Semaphore alphabet, digital hygiene or the basics of safe Internet behaviour. Children also learn about the Augmented Reality technology and think up their own gadget of the 'future'.

In 2022, the project took place in 30 cities, from Kaliningrad to Komsomolsk-on-Amur, and was attended by more than 400 volunteers, including MTS employees of the older generation. It is planned that in 2023 it will take place in 33 regions of Russia, and in addition to schoolchildren, more than 500 volunteers and retired communications specialists will take part.



# MTS BEST SOCIAL PROJECTS

**255**  
social projects

**25**  
regions of the  
Russian Federation  
were represented at the  
contest

**35**  
projects  
qualified for the final

**MTS Best Social Projects annual contest is held on an annual basis to encourage a pro-active volunteer position.**

The finalists of the contest are invited to the headquarters for an official event with the participation of top management. The Company's multi-level support of the volunteer movement creates an incentive for further positive contribution to society. These events inspire other MTS employees to participate in social projects and to help those in need.

## 2022 finalist initiatives

### 'Mobile Theatre of Fairy Tales' MTS corporate puppet theatre

'Mobile Theatre of Fairy Tales' MTS corporate puppet theatre is a volunteer theatre with more than 150 puppeteers who are MTS employees. In 2022, the project celebrated its 10th anniversary. Spectators of the theatre include children from children's social institutions, patients of hospitals and rehabilitation centres, nursing home residents and veterans, as well as people in difficult life situations.

Video versions of the performances held at the 'Mobile Theatre of Fairy Tales' are available on the KION video streaming platform with translation and subtitles.

### MTS Volunteer Theatres Festival

In 2022, the festival was attended by more than 100 volunteers and actors from various Russian cities, including Moscow, Krasnodar and St. Petersburg. The performances took place in theatre halls and were attended by more than 750 children and adults.

### 'Silver Heart'

The goal of the 'Silver Heart' federal volunteer project is to assist the lives of the elderly and provide them with social and psychological support. In 2022, more than 100 MTS volunteers joined the project. They visited nursing homes and shared their warmth with their residents.

### 'Christmas Trees for Children'

In the run-up to the New Year holiday, visits to children's social institutions are organised as part of the 'Christmas Trees for Children' federal charity programme. MTS volunteers create holiday decorations, assist in the making of New Year handcrafted items, and hold entertainment contests and games. Special attention is paid to educational contests aimed at developing creative and intellectual abilities.

### 'To School with MTS' charity fair

In 2022, more than one thousand creative items made by caring employees and their family members were represented at the charity fair. Proceeds from the sale of items at the fair amounted to 435 thousand roubles and were used to prepare children for school and to provide tutoring assistance to children from orphan boarding schools.

# ENVIRONMENTALLY-FRIENDLY DIGITALISATION



- 84 'Green' Services
- 86 Responsible Use of Resources
- 92 Carbon Management



GRI 2-27 GRI 3-3

We at MTS care for the environmental impact — we continuously increase the level of environmental responsibility of our business by launching various programmes and projects in the E area: from carbon neutrality initiatives to environmental awareness sessions. We help our customers and partners to be more environmentally responsible — we develop and implement comprehensive digital services and solutions that reduce the level of negative impact on the environment.

The Ecological Safety and Environmental Protection at Administrative Facilities Policy has been developed at MTS Group. Subsidiaries adopt the environmental policy in a consolidated manner and adapt their internal documents.

The Company has a unified environmental management system that ensures compliance with environmental regulations and requirements.

Strategic approaches to environmental impact management are also reflected in the company’s ESG strategy, and dedicated cross-functional working groups have been created in certain areas (e-waste, carbon management, responsible financing, etc.). Effective management of environmental risks, as well as relevant measures and initiatives, are regulated by the ‘Ecology’ compliance programme.

→ For more information on sustainability management at MTS, see the [relevant section](#)

**Company employees can always send a message on environmental issues at the e-mail address [ecology@mts.ru](mailto:ecology@mts.ru) and use the feedback form on the websites of corporate environmental projects**

For many years, MTS has been implementing projects to minimise the Group’s environmental impact and promote environmentally cross-conscious behaviour among a wide range of stakeholders.

The Company constantly monitors changes in requirements of environmental laws at the federal and regional levels as part of the ‘Ecology’ compliance programme.

**In 2022, MTS had no significant fines for non-compliance with environmental laws and regulations**

### National ESG Alliance

As a member of several relevant committees we are actively facilitating the transition to a sustainable development model of the Russian economy. We provide ESG expertise, participate in the discussion of regulatory documents and sustainability methodologies that are strategically important for the Russian market.

In 2022, MTS representatives also joined the five profile committees of the ESG Alliance:

- Ecology, climate and environmental protection
- Social responsibility
- Sustainable financing
- ESG infrastructure and standardisation
- International cooperation

### GSMA working group

The Company continued its participation in the ‘ESG Metrics for Mobile’ GSMA international project to develop and pilot an integrated ESG metrics system for the telecommunications industry and digital companies.

## Environmental Impact Management Structure

### ESG Committee

Determines the strategic direction of the Group’s environmental activities

### ESG Centre

Carries out general coordination in the ‘E’ (Environment) area

### Environment and Responsible Finance Cross-functional Working Group

Collects and prepares information for climate reporting, organises the issuance of ‘social’ bonds

### Ecology Functional Group

- Develops proposals for taking environmental aspects into account in MTS Group business processes
- Implements a carbon management programme
- Develops environmental education projects
- Implements external partner environmental projects using MTS digital technologies
- Assists in scaling up programmes for greening office spaces

### Centre for Employer Brand Development and Internal Communications

Organises environmental education and corporate events for employees

### Environmental Protection Functional Group

Prepares mandatory environmental reporting, provides information support to those responsible for environmental protection in the Company’s branches, mandatory periodic training for heads of branches and persons responsible for environmental safety

### Centre for Social and Charitable Programmes

Implements environmental education programmes for various external audiences of stakeholders

# 'GREEN' SERVICES



MTS digital products can help address significant social and environmental issues. In particular, the application of telematics and IoT MTS technologies make it possible to control the temperature conditions in premises and ensure fire safety in the country's forests. MTS offers the installation of autonomous air quality control stations in transport and logistics centres, which reduces vehicle idle time by up to 10% and helps reduce CO<sub>2</sub> emissions into the atmosphere.



**Digital Water Utility solution was the winner in '2022 ComNews Awards. Best Solutions for the Digital Economy' categories**

Digital Water Utility software complex based on the IoT network is recognised as the 'Best Digital Solution for Urban Water Supply'. The service makes it possible to identify unaccounted consumption on water supply mains and compare meter readings for different periods using big data and detect emergency situations.

## 'Green' products and services

Product/service	Operating principle	Achieved effect
Video surveillance system in fuel tankers of EuroOilTrack transport company in Tatarstan	<ul style="list-style-type: none"> <li>Ensures remote control over vehicle movement via any device — PC, tablet or smartphone</li> <li>Plans optimal routes</li> <li>Ensures shipments safety</li> <li>Excludes unauthorised opening of cargo</li> <li>Operates at a wide temperature range (from -40°C to +60°C) and under conditions of insufficient lighting</li> </ul>	<ul style="list-style-type: none"> <li>Reduced carbon footprint (reduction in empty running)</li> <li>Reduced fuel purchase costs by up to 7%</li> <li>12% reduction in cargo delivery time</li> </ul>
IoT Connected Car autotelematics solutions	<ul style="list-style-type: none"> <li>A set of devices collects and communicates real-time data on driving a vehicle and its condition using satellite communications</li> <li>Implementation in the factory fleet or in the logistics centre</li> </ul>	<ul style="list-style-type: none"> <li>10% reduction in vehicle idle time and, accordingly, in CO<sub>2</sub> emissions into the atmosphere</li> </ul>
Digital Water Utility software complex	<ul style="list-style-type: none"> <li>Monitors water consumption through a personal account on an ongoing basis</li> <li>Records pressure fluctuations in the pipes</li> <li>Takes the readings of total water consumption</li> <li>Calculates the water consumption balance</li> <li>Determines the locations of maximum losses and possible theft</li> <li>Detects illegal tie-ins and unaccounted consumption on water supply mains</li> <li>Notifies of problem areas in water supply</li> <li>Promptly responds to emergency situations</li> <li>Applicable to companies in any sector</li> </ul>	<ul style="list-style-type: none"> <li>10% reduction in water losses and total water consumption</li> <li>Increased energy efficiency</li> <li>Reliability of operation and uninterrupted supply of water to consumers</li> <li>Elimination of unauthorised connection to water supply networks and uncontrolled water consumption</li> <li>Reduced time required to detect and eliminate accidents</li> <li>Determination of the scope of costs</li> <li>Optimised expenses on maintenance of the infrastructure of remote facilities</li> </ul>

Product/service	Operating principle	Achieved effect
Integrated products based on the Internet of Things (NB-IoT <sup>1</sup> ) network in the power and utilities sectors to collect the readings from electricity, water, gas meters, and in smart city cases — lighting, waste control, parking sensors	<ul style="list-style-type: none"> <li>• Smart meters, including those with an internal NB-IoT modem</li> <li>• A platform for collecting the readings and technical records has been created on the basis of the MTS IoT platform: reports, widgets, notifications, etc.</li> <li>• SCADA<sup>2</sup> for commercial metering is available, inter alia, from the MTS cloud</li> <li>• Transmission of data through MTS communications networks, including the energy-efficient NB-IoT network</li> <li>• Work based on MTS big data algorithms and geo-analytical data</li> </ul>	<ul style="list-style-type: none"> <li>• Search for and reduction of losses in the power grids of generating organisations from meters hacked or operating incorrectly, as well as search for mining farms</li> <li>• Positive impact on the environment and implementation of numerous cases with minimal environmental impact</li> <li>• A 25% reduction in customer expenses on electricity, gas and heating consumption through the optimisation of business processes and personnel costs</li> <li>• Reducing the carbon footprint by reducing resource losses</li> </ul>
E2E 'Access Control and Management' Solution (NB-IoT Smart Lock)	<ul style="list-style-type: none"> <li>• Remote management excludes excessive mileage related to trips to get the door key of maintenance crews servicing infrastructure facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in vehicle emissions by 18%</li> </ul>
'Level Monitoring' IoT solution	<ul style="list-style-type: none"> <li>• Makes it possible to prevent overloading of containers and reduce vehicle mileage by switching from 'scheduled departure' to 'departure upon container loading'</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of environmental pollution in the municipal solid waste collection area by 7% and discharges from bin lorries by 12%</li> </ul>
Autonomous air quality control stations	<ul style="list-style-type: none"> <li>• Provide real-time data on air pollutants (carbon oxide, sulphur dioxide, nitrogen dioxide, solid particles, etc.) and weather parameters (temperature, pressure, relative humidity, wind speed and direction)</li> </ul>	<ul style="list-style-type: none"> <li>• Obtaining objective information on emissions and air pollution</li> <li>• Objective accounting of environmental damage to the business activity of enterprises</li> <li>• Adoption of reasonable management decisions on the construction of housing, social and other facilities with mass attendance</li> <li>• Informing citizens and authorities of environmental incidents</li> </ul>
Geo-monitoring system to control the permafrost soil impact	<ul style="list-style-type: none"> <li>• Data from seismic sensors in residential buildings are transferred via the MTS fixed network online in order to timely identify and prevent the risks of damage and collapse of buildings due to permafrost thaw and movement</li> </ul>	<ul style="list-style-type: none"> <li>• Timely identification and prevention of risks of deformation and collapse of buildings due to melting and mobility of permafrost</li> </ul>
Celsius smart sensor for climate monitoring	<ul style="list-style-type: none"> <li>• The solution is actively used in a wide range of weather conditions — from Moscow to Antarctica in various sectors: from agriculture, transport and logistics to healthcare</li> </ul>	<ul style="list-style-type: none"> <li>• Automated control helps to reduce the carbon footprint of enterprises</li> </ul>
Technologies to combat desertification	<ul style="list-style-type: none"> <li>• MTS software and hardware system speeds up the processing of data on the state of natural communities</li> </ul>	<ul style="list-style-type: none"> <li>• Based on the analysis of information, forecasts and recommendations are prepared to effectively combat environmental problems, including desertification and drought</li> </ul>

<sup>1</sup> NB-IoT (Narrow Band Internet of Things) is the IoT communications standard for the transfer of small volumes of data with a given period.

<sup>2</sup> SCADA (supervisory control and data acquisition) is an automated commercial power metering system.

# RESPONSIBLE USE OF RESOURCES



MTS is committed to the responsible use of natural resources. We dynamically implement energy conservation and energy efficiency programmes, circular economy practices, electronic document management, and waste recycling and reuse in day-to-day operations across the Group.

**1,875.82** million kWh  
electricity consumption at MTS PJSC in 2022

<sup>1</sup> The indicated volumes do not include data on some MTS subsidiaries as well as data on leased facilities, with the exception of base stations in the Moscow Region, for which a fairly accurate calculation of energy consumption can be made.

## Increasing Energy Efficiency

GRI 302-1 GRI 302-4 TC-IM-130a.1 TC-IM-130a.3 TC-SI-130a.1 TC-SI-130a.3 TC-TL-130a.1

Energy efficiency programmes at MTS Group are part of an overall effort to reduce energy intensity, optimise costs and reduce greenhouse gas (GHG) emissions in line with the Company's climate change goals.

We are guided by these programmes when building new base stations and data centres, and when revamping the existing equipment. We also strive to expand the use of renewable energy sources.

MTS upgrades its equipment, delivers initiatives and projects aimed at improving energy efficiency in its offices on an annual basis. This also helps to decrease GHG emissions (Scope 2).

Such initiatives include:

- optimisation and efficient management of HVAC (heating, ventilation, and air conditioning) systems to reduce downtime beyond regular hours
- turning off lighting in engineering spaces beyond regular hours
- stock taking and dismantling of outdated and inefficient equipment
- upgrading of lighting systems and installation of light-emitting diode (LED) and low-energy lighting
- use of a thin customer for office staff
- upgrading of other office equipment to enhance energy efficiency and energy conservation

MTS branches elaborate, approve, and implement regional energy efficiency and energy conservation programmes on an annual basis. Implementation of such measures is among the key performance indicators of branch managers. Internal audits are held regularly to assess the completion of programme-related activities.

When administering its telecoms network in the Moscow region, the Company:

- installs LED fixtures
- makes use of electricity meters for equipment cabinets
- switches off non-core equipment
- uses energy-efficient power supply units
- decommissions and sells facilities
- upgrades air conditioning systems with the activation of a free cooling system
- uses a separate metering system for electricity consumption
- performs monitoring and remote control of HVAC equipment
- takes organisational measures for energy conservation

In 2022, MTS Group consumed 9,166,839 GJ of energy resources<sup>1</sup>. Electricity consumption totalled 2,247.27 million kWh. We extensively ramped up business capacity, including data centres, which had a bearing on this indicator.

At the same time, we received 171.8 thousand kWh (0.01% of our total energy consumption) from renewable energy sources.

In 2022, electricity consumption at MTS PJSC increased by 5%, amounting to 1,875.82 million kWh, which was due, among others, to employees returning to office work after the coronavirus lockdown, the development of the network, operation of new data centres and an increase in the volume of traffic.

MTS base stations consume most electricity (80% vs 81% in the previous period), 7% is consumed by data centres, with the rest of consumption attributed to the operation of office areas and process equipment — a 29% decrease year-on-year.

## Use of Solar Generation and Solar Panels

We also strive to expand the use of alternative energy sources. At base stations, being major electricity consumers, MTS has implemented energy efficiency programmes for the network infrastructure, and makes use of energy-saving equipment and alternative energy sources.

In certain Russian regions, MTS base stations have a solar power supply system in place. In the Krasnodar Territory, three base stations powered by solar panels alone continue to operate.

On the territory of Armenia, MTS has 12 base stations located in hard-to-reach and remote areas, where energy is supplied through a photovoltaic system. In places where there is no centralised power supply, the subsidiary mainly uses a hybrid method of supplying electricity. Habitual sources of electricity and lighting in remote settlements of Armenia are being replaced by solar thermal systems and LED street lamps by MTS. In 2023, this social and environmental project will be implemented in a number of border villages.

MTS administers a network of 15 data centres, whose cloud servers store a huge amount of customer information. Data centres consume electricity to operate and cool the servers round the clock.

Cooling is the most energy-intensive process running in data centres. MTS makes use of a low-cost free cooling system (using the outside air cold) and an in-house adiabatic cooling system (spraying water as tiny drops) in its Leningrad region data centre.

In 2022, the total MTS data centre power consumption increased by 41% year-on-year due to business expansion. In 2022, MTS built its first modular data centre (MDC) in Novosibirsk and launched two modules of 125 racks each with a usable capacity of 1,800 kW. The MDC capacity is sufficient for uninterrupted operation of MTS IT infrastructure: billing, online subscriber service system, 3G/4G/5G network equipment, and other technologies. The available data centre capacity is expected to be doubled to enhance the Company's cloud products.

<sup>1</sup> The indicator is calculated as the ratio of the amount of energy required for the primary equipment to the amount of energy required for all other building functions (such as ventilation, lighting, etc.).



**1.72**  
the average  
PUE<sup>1</sup> of MTS Group data centres in 2022

# Reduced Use of Materials

In 2022, we continued our transition to electronic document management (EDM). In doing so, we digitised the delivery of source documents to counterparties, processing of warehouse documents, and accounts receivable notification.

With the help of digital document management, MTS saves more than 6,500 trees<sup>1</sup> per year — this number is enough to plant about 230 medium-sized city squares.

Electronic document management is used in:

- 100% of MTS procurement procedures<sup>2</sup> in the Oracle Sourcing IT system
- 100% of warehouses for safekeeping that work with acceptance certificates
- 93% of internal HR document flow

MTS Group brings new opportunities for customers to sustainably use paper media and cheque tape. In 2022, over one million MTS subscribers in the Moscow region using MTS Home Internet, telephony, and TV migrated to e-bills. It enabled to save about 550 trees.

MTS Cashier users may reduce the size of paper receipts or disable the function of printing receipts, shift opening and closing reports, cash deposit and withdrawal reports on their own. In this case, a document is sent to the customer electronically by e-mail or SMS. This option makes it possible to save natural resources and cut business costs.

Quote

Director for Converged Products and Marketing,  
Moscow Region, MTS

“

Digital technologies help the business and society to make such seemingly everyday things as document management and bill payments more environmentally friendly. We see users dynamically joining our initiatives for the sustainable use of natural resources. We, in turn, will continue to scale our remote maintenance services and make them even more convenient to use. In addition to eliminating paper bills and cheques, another remarkable example is users' choice of virtual cards, which has reduced plastic consumption by 8.8 tonnes in 2022 alone.

”

## MTS ELECTRONIC DOCUMENT MANAGEMENT WON THE PRO EDM AWARD IN TWO CATEGORIES

MTS electronic document management was recognised the best and received the PRO EDM award in two categories: 'PRO optimisation: a new level of manufacturability and performance' and 'PRO recognition: the best project according to the business community'. The award is given annually to companies that perform best as a result of their migration to EDM.

93%

of internal HR document flow was converted to electronic form by the end of the year

91%

of documents legally significant for corporate customers was converted to electronic form by the end of the year

<sup>1</sup> Assuming the production of 17 paper packs of 500 sheets each from one industrial tree.  
<sup>2</sup> Among counteragents that have their own IT systems.



# Waste Handling

GRI 306-1 GRI 306-2 GRI 306-3 TC-TL-440a.1

We seek to integrate the circular economy principles into our business processes, extend the service life of equipment, and increase waste recycling. The Company is strongly focused on e-waste treatment (mobile devices, computers, batteries, etc.), as such waste may have a negative environmental impact because of hazardous metals and toxic substances it contains. We repair equipment, exchange goods on a trade-in basis, and sell machinery to manufacturers for reuse or extraction of valuable components.

In 2022, an ecosystem project connected to e-waste was launched. Also, during the reporting year, MTS expanded the SuperWave project for customer equipment maintenance. It helps promptly return subscriber equipment to operation. 292,326 units of customer equipment were refurbished as part of the SuperWave programme, which is a 25% increase compared to last year. A total of 350 thousand units of machinery were directed to refurbishment, which is a recovery rate of more than 80%.

Increasing the share of waste sent for recycling or disposal is an important part of our strategy for responsible waste management.

During the reporting year, MTS was extensively involved in the Kind Caps and Future without Plastic initiatives. We managed to collect 280 kg of plastic caps and save 8.8 tonnes of plastics by issuing virtual bank cards.

MTS Group's ESG strategy has fixed the Company's responsible approach to the use of resources and improving the efficiency of waste management processes. MTS strictly monitors compliance with the requirements of Russian legislation regarding the availability of valid licences for the collection and disposal of waste from contractors.

Most waste generated by our operations is hazard classes 4-5 waste. Over the reporting year, the total waste generated by MTS decreased by 12%, down to 5,357.66 tonnes.

In 2022, MTS sent over 8,330 tonnes of materials for recycling or responsible disposal.

## Total waste generated by MTS Group in 2022<sup>1</sup>, tonnes

GRI 306-3



**350,000+** units  
of machinery were directed to refurbishment

**280** kg  
of plastic caps were collected in 2022

**8.8** tonnes  
of plastic was saved by issuing virtual bank cards

<sup>1</sup> Due to the peculiarities of information collection the indicated volumes do not include data on some subsidiaries of the Group.

## MTS Life Cycle Laboratory project

The integrated environmental MTS Life Cycle Laboratory project is aimed at consistently incorporating the circular economy principles into business processes. The project is premised upon an ecosystematic and multifaceted approach that provides for collecting recyclable materials and directing them for treatment and recycling, responsible attitude to e-waste, obsolete machinery, office furniture, and other types of waste. On top of that, the project is designed to introduce the circular economy principles and carbon neutrality values into business processes of the Group, and also extensively engage employees therein.

Thanks to the MTS Life Cycle Laboratory, the following<sup>1</sup> was directed to recycling or responsible handling:

**131** tonnes  
of waste paper

**1.5** tonnes  
of used power supply elements  
and batteries

**100+** kg  
of plastic bottles

**1,100** kg  
of phones

**280** kg  
of plastic caps

**45,000+** kg  
of other small electronic equipment

<sup>1</sup> In 2023, in the framework of the MTS Life Cycle Laboratory project, a decision was made to change the calculation methodology. Due to the fact that these types of recyclable materials in different companies of the MTS Group began to be collected at different periods of time, the practice of publishing data on the results of the project with a cumulative total was recognised as inappropriate.

## In 2022, the project received the following awards



Winner in the Best Internal Corporate Project category of the annual ECO BEST AWARD–2022 award established in 2017 to reward the best environmental, energy and resource conservation products and practices



Winner in the Responsible Consumption and Production category of the Best ESG Projects of Russia competition to support the best environmental, social, and corporate governance practices



Special prize of the Green and Healthy Office 2022 campaign to promote the best corporate environmental and motivational practices and to foster employee health care in two categories: the Best Environmental Education and Employee Training Programme, and the Best Environmental Corporate Project

# Reduced Impact on Water Resources

GRI 303-1 GRI 303-3 TC-IM-130a.2  
GRI 303-2 GRI 303-4 TC-SI-130a.2

We incorporate practices to minimise water withdrawal and consumption and abstain from significantly impacting natural water sources.

The Company’s responsible approach to the use of water<sup>1</sup> resources is laid down by the Group’s ESG strategy. MTS also observes Russian laws and international standards.

For domestic and process purposes, the Company makes use of fresh water from natural sources that are not attributed to water-stressed areas, from water utility systems, and bottled drinking water provided by contractors.

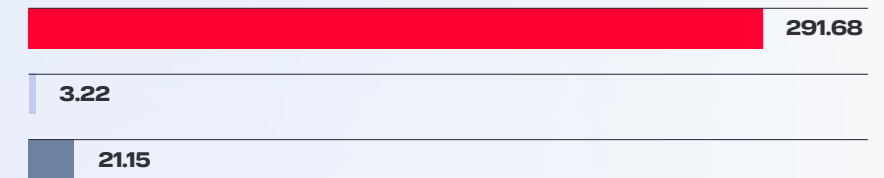
MTS Group wastewater is subject to analytical control in accredited testing laboratories and is discharged through municipal water discharge systems and into surface water bodies in small quantities.

Over the reporting year, MTS Group’s total water withdrawal was 316.05 thousand cubic metres. Water withdrawal by MTS PJSC decreased by 8% year-on-year, amounting to 193.36 thousand cubic metres.

In 2022, MTS Group’s water discharge was 314.88 thousand cubic metres. In 2022, MTS PJSC discharged 184.90 thousand cubic metres.

## Water withdrawal<sup>1</sup> for MTS Group in 2022<sup>2</sup>, thousand m<sup>3</sup>

GRI 303-3



- From water utility systems
- Bottled drinking water
- From natural sources

**314.88** thousand m<sup>3</sup>  
MTS Group’s water discharge in 2022

<sup>1</sup> An artesian well is located on the territory of the MTS PJSC branch in the Krasnodar Territory, which is used for technical water supply.  
<sup>2</sup> Due to the peculiarities of collecting information and difficulties in obtaining data from landlords in these volumes, data on some subsidiaries of the Group and objects located on leased areas are not taken into account.

# CARBON MANAGEMENT



MTS supports decarbonisation and contributes to the global climate action. We factor in climate risks in our operations and implement measures to reduce our carbon footprint. We also offer technology solutions enabling our customers to exercise control over changing climate factors.

## Climate Change Management

Climate control is embedded in the ESG agenda management system.

The planning and implementation of carbon footprint monitoring actions, and compliance with responsible climate risk management principles are set out

by the MTS Group ESG Strategy and Environmental Policy.

With the development of the digital business of the MTS ecosystem, energy consumption and, accordingly, GHG emissions are naturally increasing. In order to effectively manage these issues, in 2022, the Ecology Functional Group began developing a strategy for managing

GHG emissions and achieving carbon footprint reduction targets that takes account of the special IT aspect of the Company.

The draft document has been agreed by the Carbon Management and Responsible Finance Working Group and the relevant divisions. In 2023, it is scheduled to be reviewed by the ESG Committee under the Board of Directors, among others.



<sup>1</sup> CDP (Carbon Disclosure Project) — Independent international organization which maintains the largest database on GHG emissions in the world.

# Implementation of Global Climate Initiatives

MTS is actively involved in reducing negative climate change impacts. The Company participates in elaboration of decarbonisation standards and the GHG emissions assessment methodology. We place a strong focus on transparency, including by providing data for the CDP platform.

## We disclose information on the international CDP platform

### Participation in the CDP project

Being governed by the transparency and openness principles, MTS contributes to the annual CDP reporting process by submitting information regarding climate targets, activities, and deliverables.

In 2022, we kept publishing information about our carbon footprint on the CDP platform, notwithstanding that the scoring of Russian companies had been suspended.

In 2021, MTS reached Level B (Management level) of the CDP Climate Change rating, which attests to our climate agenda efforts. MTS is the only digital company in Russia hitting the CDP rating top.

## We develop a single emissions assessment methodology as the GSM Association representatives

As part of the GSM Association, MTS contributes to elaborating a single methodology for calculating indirect GHG emissions generated across telecoms companies' supply chain. With the participation of the ITU<sup>1</sup> and the GeSI<sup>2</sup>, the primary project-related activities have been completed.

Companies operating in the industry may find hands-on recommendations on calculating indirect Scope 3 emissions in the GSMA Scope 3 guidance document. The methodology is expected to be published in 2023.

The Company supports and contributes to delivering the global initiative of the international GSM<sup>3</sup> Association to develop a roadmap of climate change management actions for the telecoms industry.

## We cooperate with the JAC Climate Change & Circular Economy Wider group

### MTS performance for the Climate Change Workstream

MTS is an active participant of the Climate Change Workstream working group established under the JAC<sup>4</sup> Association. The working group is intended to develop and implement standards aimed at environmental impact reduction affecting climate change into the association member companies' operations.

In 2022, the key focus areas of the working group covered the circular economy in the telecoms industry. The group was renamed into the JAC Climate Change & Circular Economy Wider group.

Membership in the working group enabled MTS to gain access to the best carbon management practices, improve performance metrics of its own initiatives, including advances to the methodology for calculating GHG emissions across the MTS supply chain, and, as a result, enhance the quality of carbon reporting.

<sup>1</sup> International Telecommunication Union.  
<sup>2</sup> Global Enabling Sustainability Initiative.  
<sup>3</sup> The association of manufacturers and operators of the mobile communications industry engaged in the development, support, and distribution of the GSM (Global System for Mobile Communications) standard.  
<sup>4</sup> Joint Audit Cooperation.

# Climate Risks

As the importance of climate risks grows, there occurs an increasing need to obtain reliable, complete, comparable, and prompt information. Such information is required for making managerial and investment decisions and performing a comprehensive analysis of the internal and external business environment.

MTS monitors climate risks using the list compiled by the Environment and Responsible Finance Working Group. Our risk management approach takes account of the recommendations adopted by the Task Force on Climate-related Financial Disclosures (TCFD).

## Physical risks

- Increased frequency and strength of storms (cyclones and hurricanes)
- Heavy rains and floods
- Forest fires
- Uncommon air temperature changes
- Sea level rise
- Other climate change events

## Transition risks

- Regulatory
- Risks associated with the transition to a low-carbon economy
- Reputational
- Market
- Technology
- Legal

## Potential consequences of risk occurrence

- Discontinuity of the MTS Group infrastructure
- Restricted ability to render the services
- Rise in capital and operating costs
- Deferral of network rollout plans

- Adverse effect on the MTS Group business, financial standing, performance, and reputation

## Actions to manage climate risks

- Implementation of a TCFD-compliant classification of weather events
- Detailed analysis of the frequency and dynamics of climate-related incidents
- Delivery of preventive maintenance plans and technical support for communications systems and ancillary equipment
- Implementation of projects aimed at improving network reliability, upgrading the mobile infrastructure and backup power supply systems
- Insurance of network equipment and devices against fire, floods, and thunderstorms

- Continuous monitoring of changes in federal and regional environmental laws as part of the Ecology compliance programme
- Control over developments and exploring opportunities related to renewable energy sources
- Electricity pricing analysis

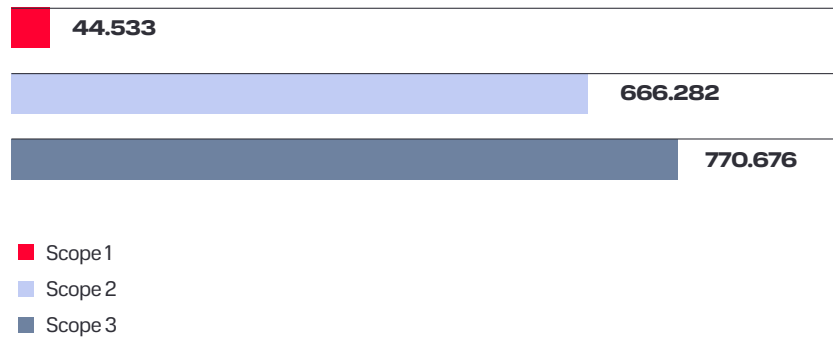
# Greenhouse Gas Emissions

MTS performs assessment and consistent monitoring of greenhouse gas emissions. Our approach is based on methodological principles that are aligned with international standards and best practices. We continue to implement ecosystem-based measures to reduce the carbon footprint of MTS Group companies. Moreover, we shape technologies that help our customers and partners exercise control over climate risks and attain their climate targets.

## Our Progress in 2022

In preparing carbon reporting, a mathematical model for calculating GHG emissions is updated annually.

MTS Group GHG emissions, thousand tonnes of CO<sub>2</sub>e



GHG emissions are assessed pursuant to Russian laws and regulations, specifically, Order No. 371 dated 27 May 2022 of the Ministry of Natural Resources and Environment of the Russian Federation on Approval of Methods for Quantitative Determination of Greenhouse Gas Emissions and Sinks, as well as recommended practices of the Intergovernmental Panel on Climate Change (IPCC).

Direct emissions are estimated according to the IPCC methodology in view of the Fifth Assessment Report (AR5) and cover emissions from stationary and mobile fuel combustion, as well as emissions associated with refrigerant leaks in cooling systems. In 2022, MTS total GHG emissions (Scope 1, 2 and 3) were 1,481.492 thousand tonnes of CO<sub>2</sub>e. compared to the previous year, emissions increased by 308.444 thousand tonnes of CO<sub>2</sub>e (26%), which is driven by the expansion of the number of subsidiaries taken into the calculation.

In 2022, MTS continued to implement a package of ecosystem measures to reduce its carbon footprint:

- expanding a range of digital technologies that contribute to reducing customers' carbon footprint
- elaborating a methodology for assessing impacts on reducing GHG emissions
- assessing a reduction in GHG emissions from the implementation of IoT solutions
- enhancing measures to reduce the carbon footprint and incorporating them into the ecosystem
- compensating GHG emissions by organising compensatory planting of green spaces

**1.48**  
million tonnes of CO<sub>2</sub>  
GHG emissions (Scope 1, 2 and 3)

# RESPONSIBLE AND ETHICAL GOVERNANCE



98	Unified Compliance System
105	Internal Control System
106	Tax Management
107	Open Dialogue with Stakeholders
111	Responsible Supply Chain
113	Information Security





Business ethics principles and statutory compliance form an integral part of doing business at MTS. We continue integrating the best practices into the MTS ecosystem corporate governance: the society expects us not only to render high quality services but also to take ethically flawless business decisions.

In 2022, we worked on improving our compliance system by automating compliance controls and the risk assessment process, providing a quick and easy access to compliance procedures, and enhancing the Unified Hotline functioning. However, the effective operation of our compliance system would be rendered impossible absent the support for employee business ethics values. A high degree of employee engagement across the ecosystem in shaping a responsible governance culture is attested to by the results of the annual compliance culture maturity review.

The Company adheres to the practices of zero tolerance to business misconduct. This principle is translated into action through performing the Code of Ethics, integrating compliance controls at different governance stages and levels, and through interactive communications with employees and partners, whereby they learn about the value of compliance and special aspects of applicable laws.

Quote

Vice President for Business Ethics and Compliance

“

MTS is a large digital ecosystem with many employees working side by side. MTS #together value has been recently gaining an increasingly broader meaning. It is not just about synergy within teams and results of their work, it is also about understanding and support, respect, transparency, and openness. Together we create an environment in which it is easy to act right. At the same time, each of us contributes to the formation of a corporate culture, an integral part of which is compliance and business ethics. Our team, guided by best practices, continues bolstering our compliance that creates a robust basis for the achievement of the Company's strategic goals.

”



# UNIFIED COMPLIANCE SYSTEM



MTS is continuously enhancing its compliance system. We seek to provide accessible ways to apply the relevant policies and procedures and are extensively engaged in shaping our internal compliance culture. The automation of compliance procedures helps us to improve our risk assessment, monitoring, and testing performance. Our programme spans across the MTS Group to make sure that compliance practices are applied consistently.

**In 2022, the MTS Unified Compliance System passed the certification audit for compliance with the international ISO 37301:2021 'Compliance management systems' and ISO 37001:2016 'Anti-corruption management system' standards**

## UNIFIED COMPLIANCE SYSTEM

Covers programmes that are in operation across all MTS units. Such programmes are intended to conform to statutory requirements and maintain a balance of stakeholder interests.

The system includes nine programmes supervised by the relevant functional divisions:

- Anti-Corruption Compliance and Business Ethics
- Antitrust Compliance
- Inside Compliance
- Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)
- IP Compliance
- Organisation of Personal Data Processing
- Respect for Human Rights in the Workplace
- Occupational Health and Safety Management System
- Ecology

## MTS COMPLIANCE POLICY

Defines the system substance, targets, and structure. The Business Ethics and Compliance Department coordinates the system's operations, and its head is directly subordinate to the MTS President. The Special Compliance Committee operates under the Board of Directors to consider issues related to the compliance supervision measures implemented by MTS. The Compliance Committee under the MTS President considers issues of managing the Unified Compliance System and compliance risks.

We continuously improve MTS compliance programmes and increase their performance.

In 2023, we intend to make efforts in the following domains:

- updating compliance controls and increasing their automation and digitalisation
- scaling up IT compliance solutions across the MTS Group
- extending the case management system to cover certain MTS subsidiaries
- improving verification and investigation procedures in line with the best international practices
- fostering the compliance culture, maintaining ethical leadership practices, and carrying out information and educational activities

## Anti-Corruption



GRI 2-24 GRI 205-1 GRI 205-3

Our stakeholder engagement is aimed at building reliable and long-term relationships. To prevent corruption and business ethics abuses, we are guided by laws and internal policies drawn up in line with the best practices. In addition, MTS has been a member of the Anti-Corruption Charter of the Russian Business since 2015, upholding public initiatives to counteract corruption.

The Code of Business Conduct and Ethics is the Company's fundamental document regulating its honest and ethical business conduct. The Code governs the rules of internal corporate behaviour, cooperation with customers and partners. All employees shall necessarily review the Code upon employment, take regular trainings, and comply with its provisions in their actions.

We updated the key compliance and anti-corruption regulations in 2022 to reflect the best practices and changes in the external setting. The updated documents are available on the official website, corporate portal, and My MTS mobile app in Russian and English.

The Company monitors compliance with all internal documents and statutory requirements in terms of countering corruption. In addition, it regularly assesses all its key divisions and business processes for corruption and compliance risks. In 2022, we also conducted a scheduled risk reassessment, adapted our compliance programmes, and updated the MTS Group methodology to cater to operational challenges. In 2023, the CERT International audit team noted the fine-tuned digital document management of our anti-corruption compliance system.

→ For the complete list of MTS internal regulations on business ethics and compliance, see the **'List of Regulatory Documents'** section

## Compliance system automation

In 2022, we rolled out automated solutions that reduced the number of actions taken manually and improved the annual corruption risk assessment and control procedure management efficiency.

Thus, to enhance the compliance offence investigation system and methods, we introduced an in-house automated tool — a case management system. It enables us to keep records of investigations held by the Company, observe inspections in real time, classify the causes of violations, monitor the outcomes and the status of implementing recommendations.

In addition, as part of the compliance system automation project, we developed and started using a unified IT tool — the Risk Matrix. It is designed for the annual risk assessment, monitoring, and testing, as well as for an integrated analysis of the MTS business environment.

We monitor reports on suspected or actual violations of the Code or other documents, including through the **MTS Group Unified Hotline**. If we identify any such violations, we check up and investigate into the circumstances, whereupon offenders may be held liable.

In 2022, MTS checked up and investigated into 179 cases having signs of compliance offences. Following such investigations, violations and/or deficiencies in business processes were identified in 72 cases. In those cases, disciplinary and other corrective measures were taken, and recommendations were given to eliminate violations and prevent such instances in the future.

We also verify compliance with the Counterparty Code of Business Conduct by our counterparties. On top of that, we have automated counterparty assessments for corruption risks.

→ For more information on the Code, see the **'Responsible Supply Chain'** section

In 2022, MTS proceeded with improving its corporate anti-corruption compliance programme in cooperation with an independent compliance monitor. This project will last until September 2023. It will enable us to shape a business ethics and anti-corruption compliance programme aligned with the international best practices with the support of external expertise<sup>1</sup>.

<sup>1</sup> In March 2014, MTS PJSC received a request for information from the U.S. Securities and Exchange Commission and the U.S. Department of Justice regarding an investigation into the activities of its ex-subsidiary in Uzbekistan. In February 2019, MTS Group reached a settlement with the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC) regarding the previously disclosed investigation into the activities of the Group's ex-subsidiary in Uzbekistan. The Group agreed with a restraining order issued by the SEC (hereinafter, the 'Order'). The United States District Court for the Southern District of New York approved a deferred prosecution agreement (hereinafter, the 'DPA') entered into by the Group and a plea agreement entered into by the Group's subsidiary in Uzbekistan. Subject to the terms and conditions of the said agreements with the DOJ, we agreed to pay a fine of 850 million US dollars (59.1 billion roubles as at 31 December 2018) to the United States. The Group made the 850 million US dollars (55.8 billion roubles as at the date of accrual) provision for paying the fine, recognising it in the loss from discontinued operations in the consolidated P&L statement for the year ending on 31 December 2018. Under the terms of the DPA and the Order, the Group agreed to the introduction of independent supervision (monitoring) over compliance with their requirements. Pursuant to the terms of the DPA and the Order, monitoring was to be initially in place for a period of three years from the date of its introduction; the monitoring period could be reduced or extended, as the case might be. Rendering the final decision to this effect is reserved to the U.S. Department of Justice and the U.S. Securities and Exchange Commission. We have not been notified by the DOJ, the SEC, or the independent compliance monitor of any non-compliance with the terms and conditions of the Order or of the DPA. However, in view of certain factors, including the COVID-19 pandemic, we have agreed with the SEC and the DOJ to extend the DPA term and monitoring for another year to provide (i) the Group with sufficient time to incorporate the necessary improvements to certain important elements of its business ethics and anti-corruption compliance programme and (ii) the opportunity to complete a review of the Group's activities, including the implementation of the monitor's recommendations and assessment of resilience of the Group's actions. Therefore, the independent compliance monitoring period will be extended to September 2023.

## Prevention of Conflicts of Interest

GRI 2-15

Conflict of interest management is necessary to mitigate the risks triggered by employees and management making decisions affected by their personal interest.

At MTS, the requirements for the conduct of employees or members of the governing bodies are set out by the Conflict of Interest Management Policy designed to prevent conflicts of interest from occurring.

Upon employment, all employees review the said Policy and complete the Conflict of Interest Disclosure form. For members of the MTS PJSC governing bodies, we have introduced a mandatory questionnaire procedure to identify conflicts of interest performed twice a year.

Since autumn 2022, the Company has been running an automated process to manage employee conflicts of interest. The digital process covers a full cycle: from filling in electronic disclosure sheets to archiving the review outcomes in a special unified register.

During 2022, information on 417 instances was verified and assessed by experts for conflicts of interest: 306 instances required resolution, and in 111 instances no conflict of interest was discovered.

## Antitrust Compliance



GRI 2-27

The MTS antitrust compliance programme and Antitrust Policy are focused on transparent tariff setting and pricing, open communications with counterparties and other peer companies, and ethical promotion of MTS ecosystem products. We regularly monitor changes in antitrust laws and law application practice developments, exercise antitrust control, and provide related counselling services.

**We recurrently notify our employees of antitrust requirements to achieve zero tolerance to breaches of antitrust laws**

In 2022, we held an extensive antitrust compliance training across MTS subsidiaries. Such training was tailored to the risk-oriented approach and special aspects of the Company's operations. We finalised regulations and the mechanism for antitrust control checks when acquiring new assets, and deepened interaction between the centralised antitrust compliance function and subsidiaries, including the accountability for antitrust risks.

Over the reporting year, there were no legal proceedings related to violation of antitrust laws, as well as no violations of the law in terms of proper consumer information were recorded.

## Inside Compliance

As a listed company, MTS places special emphasis on dealing with insider information and actions to rule out market manipulation.

We have developed a system of measures, procedures, and processes to prevent violations of laws on using insider information. MTS regulations set forth the information classified as insider information, the procedure for accessing it, rules for keeping such information confidential, and ways of monitoring compliance with related statutory requirements.

As per the best practices, the Company has established restrictions on transactions involving securities during 'lock-up periods'. On top of that, MTS maintains a list of company insiders to ensure control.

**In 2022, we updated our online Using MTS Insider Information course designed for all employees**

The established inside compliance system enables to create transparent conditions for investing and fair pricing on the market, protect the rights of shareholders, increase investor confidence, and prevent insider information misuse.

## Anti-Money Laundering



Pursuant to the Federal Law 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism', MTS has developed the same-name compliance programme.

- All MTS subscribers are subject to daily checks for inclusion in relevant monitoring lists
- When an MTS customer makes suspicious transactions on their personal accounts, MTS exercises anti-fraud verification of the customer

The Company monitors the termination of communication service agreements providing for advance payment balance refunds and other subscriber transactions on a daily basis.

MTS Fintech also implements a range of measures to discontinue tainted financial transactions. In doing so, it performs thorough checks of the customer data reliability, makes use of scoring to filter out bad history customers, and identifies shady deals by behavioural analysis scripts.

In 2022, MTS updated its related internal regulations and pursued a scheduled training for top management. Activities intended to notify regional managers of the relevant laws are carried out regularly.

## Intellectual Property Management (IP Compliance)

TC-SI-000.A

MTS is a digital ecosystem that uses a variety of intellectual property items in its products and solutions. We protect it as one of the Company's most valuable assets and respect the intellectual property of other market actors.

The intellectual property risk management system (IP compliance) is designed to prevent any infringement of MTS' and third parties' rights and to mitigate inherent risks.

**In 2022, the IP Risk Management System compliance programme was certified to the new Compliance Management Systems standard (ISO 37301:2021, former ISO 19600:2014)**

Software and trademarks are the MTS Group's principle intellectual property items. The number of ecosystem's patents also grows.

MTS has its Intellectual Property Management in the MTS Group policy in place. It implies IP risk management procedures and the principles of intellectual property items and domains management.

In 2022, in order to manage IP risks, we finalised our internal documents regulating software lifecycle management processes, contractual work arrangements, and the launch of marketing programmes.

### Naming verification service

To simplify the verification of naming which is used in marketing materials, the Company developed a naming verification service. It facilitates the verification of any potential infringements of IP rights to naming. The service makes use of various databases and enables to rank the results depending on potential infringement risks.

In 2022, we updated the mandatory for all employees online interactive e-learning course titled 'Rules for the Use of Intellectual Property', which was launched in early 2023. Over the reporting year, the course was completed by 6,192 employees.

In addition, we carried out IP compliance communication activities on risks related to intellectual property in procurement and contracting and copyright use.

Quote

Head of the MTS Intellectual Property Management Department

“

The Group has developed a culture of awareness that intellectual property is one of the most valuable assets. Colleagues protect intellectual property in a timely manner and respect the intellectual property of other market participants, and our training has played its part. If previously people mostly came to us only with names, now they are interested in how to get patents, check the domain, register a trademark.

”

Quote

Director of the MTS Legal Risk Management Department

“

We continue to follow the path of intellectual property protection and maintaining full-fledged IP compliance. Our approach to IP management is related to the product model. At the centre is not an object of intellectual property, but a product around which the IP cloud is being built and developed. If the product does not develop, then some intellectual property objects, for example, the source code or trademark, can be used in other products.

”

# Unified Hotline

GRI 2-16 GRI 2-25 GRI 2-26

The Unified Hotline is a critical mechanism across the MTS Group. Using it, we are in a position to timely identify and promptly respond to violations of laws, internal policies and regulations, including the Code of Business Conduct and Ethics.

The hotline may be used to report HR issues, matters of optimising internal processes, including procurement procedures, and various violations of business ethics and compliance standards. Submissions are anonymous. The hotline is operated by an independent third-party provider. In doing so, we make sure that the assessment and consideration of submissions are unbiased to the maximum extent possible. The Unified Hotline electronic form is available in 21 languages, to cover a potential linguistic diversity of applicants.

All applicants are protected from discrimination and any form of pressure whatsoever. According to the Company's regulations, submissions to the Unified Hotline are registered and forwarded to the relevant divisions for consideration. Submissions are checked and verified, and applicants receive conclusions and responses thereto.

MTS employees may report violations not only through common Unified Hotline channels. They may also use internal communication channels, such as reporting to their immediate or superior manager, compliance manager, and Our MTS app, including anonymously. Additional communication channels render the collection of submissions on violations more efficient.

Information on the Unified Hotline performance appears on the Pulse portal and in corporate newsletters to raise employee awareness. In 2022, we pursued a communication campaign and a follow-up survey. According to the results, employees are well aware of, and put trust in, this communication tool. We expect to repeat the above activities in 2023 to promote a culture of open communications within the MTS Group.

We continuously improve the Unified Hotline operation and hold trainings on changes for accountable persons.

In 2022, 907 Unified Hotline submissions were registered, a 30% decrease year-on-year. Since 2022, queries on the quality of services and maintenance have been forwarded to the MTS dedicated divisions for processing. The number of queries on ethics and compliance issues has grown. It means that the Unified Hotline users are increasingly aware of ethical business conduct, which enables MTS to place a stronger focus on compliance procedures.

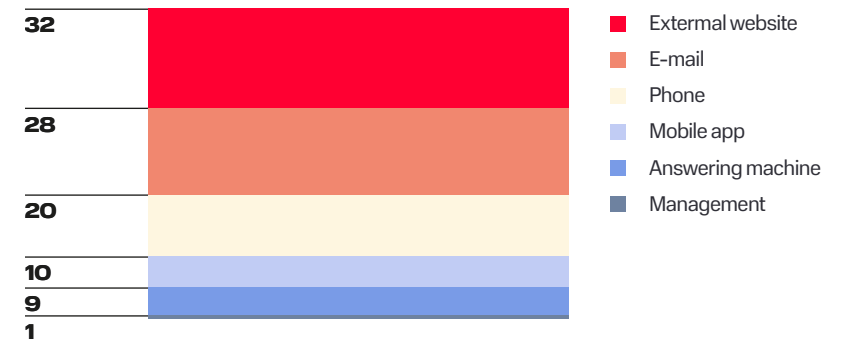
Compared to 2021, the number of submissions regarding working conditions and human rights abuses has decreased. This is due to the fact that in the previous year most submissions dealt with structural changes in the Company, severance payments, and other labour laws issues.

The communications campaign held early in 2022 resulted in an increased number of submissions over the phone, and the answering machine and via the mobile app.

## MTS Unified Hotline contact details:

E-mail: [external.hotline.mts@b1.ru](mailto:external.hotline.mts@b1.ru)  
 Feedback form: [hotline-mts.b1.ru](https://hotline-mts.b1.ru)  
 Single number: 8 (800) 234-44-18 (toll-free calls in Russia)

Channels for making Unified Hotline submissions in 2022, %



Types of applicants making Unified Hotline submissions in 2022, %



# Compliance Awareness and Counselling

GRI 2-24 GRI 205-2

Compliance awareness is at the heart of the MTS compliance culture. We continuously enhance it using the best practices to make sure that the business ethics and compliance principles become the backbone of routines for all employees.

We make use of non-standard formats for compliance communications. We also strive to adapt the presentation of materials for different audiences, e.g., for employees and partners, to emphasise once again that compliance and ethics are the basis for all MTS activities. For example, in 2022, we published 27 posts and materials in compliance communities on the Pulse portal, used banners on the portal, and exchanged Telegram stickers as part of the Ethics and Compliance Day.

**We conduct annual anonymous assessment of the level of compliance culture covering all employees, including top management. Such surveys are held by an independent international agency. Following the 2022 survey, the level of employee understanding of compliance controls and compliance culture is above the benchmark and the previous year level**

In addition, MTS is open to sharing experiences and its expertise to enhance the best compliance practices. For example, employees of the Business Ethics and Compliance Department acted as speakers at 12 events in 2022, including the Ninth annual Conference 'Compliance in Russia: The Future We Create Today', meetings of the Association of Corporate Counsel, etc.

The 'tone from the top' and 'tone in the middle' practices constitute crucial pillars of our compliance culture. MTS actively engages top management in making the ethical business conduct principles come true. Mid-tier executives demonstrate their commitment to business ethics by their personal example. They hold events and interviews, emphasise the compliance culture importance, notify those concerned about compliance training, provide explanations regarding compliance controls, and brainstorm ethical dilemmas. In 2022, about 450 'tone in the middle' activities were held with the participation of over 89 thousand employees at MTS PJSC and more than 2,100 events across the Group's subsidiaries.

Quote

Head of the Corporate Interaction Division of the MTS Business Ethics and Compliance Department

“

It is due to the compliance system that employees may intuitively make ethical decisions. If we take ESG activities of the MTS Group in general, compliance, in my opinion, is its core element. To enhance the ecosystem based on business ethics principles, strictly comply with regulators' requirements, and contribute to the society's sustainability, while keeping the balance of stakeholder interests, we have set up the Unified Compliance System for the entire digital holding structure.

”

## 'Ethics Has its Aesthetics'

Each October, we celebrate the corporate Ethics and Compliance Day. In 2022, it was held for the eighth time under the 'Ethics Has its Aesthetics' slogan. In the context of the 'tone from the top' practice, we published a message from the Vice President for Business Ethics and Compliance regarding the importance of the #together corporate value as a structural block of trust and respect among employees on the Ethics and Compliance Day. As part of the event, we conducted a Compliance Cup game, creative contests, and exchanged information regarding the Company's employment principles. We also arranged interviews, speeches, and stories from branch directors about ethics and compliance tips.



## Compliance Training

GRI 205-2

Training employees at all levels is one of the most critical compliance system elements. In 2022, 97% of employees (over 60 thousand people) completed mandatory compliance training.

MTS makes use of a system of trainings taken by each employee upon employment and throughout the term of their service for the Company on the Corporate University platform. The training calendar is shaped individually for each employee, considering their job title and the risk profile of their function. The topics of mandatory e-courses cover the Code of Business Conduct and Ethics, compliance with anti-corruption laws, and conflicts of interest management.

In 2022, 30,972 employees completed the Anti-Corruption Compliance course, and 13,397 new employees — the Code of Business Conduct and Ethics course.

Regular training, including in the area of compliance, is mandatory for members of the MTS governing bodies. In 2022, 100% of members of the Board of Directors, committees thereunder, and of the Management Board participated in the anti-corruption compliance system training. The training focused on the anti-corruption compliance system principles, interaction between the Board of Directors and the compliance function, the 'tone from the top' practices, etc.

MTS performs an annual certification of its managers that covers the knowledge check regarding local compliance regulations. To make this process more efficient, we automated and migrated it to a special platform in 2022.

iSmart



### ANTI-CORRUPTION TRAINING FOR COUNTERPARTIES

Counterparty training is a mandatory element of the MTS anti-corruption compliance programme. In 2022, we developed a new approach to the counterparty anti-corruption training titled 'Statutory Compliance Requirements for Counterparties' and posted the relevant course on the iSmart.ru platform. The course completion enables suppliers to gain access to registration in, and dealing with, the MTS e-procurement system. The same approach is applicable to MTS subsidiaries.

Over 3,200 counterparties took the training in 2022, up 68% year-on-year.



# INTERNAL CONTROL SYSTEM

The MTS Group internal control system is designed to provide for the Company's efficient operation, reliability of its financial reporting, and statutory compliance. The MTS internal control system conforms to the COSO Internal Control — Integrated Framework 2013 methodology. The internal audit function exercises control over the Company's activities and assesses its risks and corporate governance.

The internal control system entails measures aimed to prevent corruption and mitigate reputational risks for MTS. Such measures include the authorisation of transactions and operations, delineation of authority and rotation of duties of accountable employees, and control over the actual availability and condition of facilities.

The Internal Control Systems Department is charged with the internal control functioning. On top of that, it assesses the internal control system reliability and efficiency, performs its certification for the MTS Group, and obtains an external auditor's independent opinion on the system performance.

To raise awareness of the internal control system, we have elaborated and incorporated a special training course for process owners and control operators.

**Following the 2022 external audit, internal testing of controls, and process certification, the MTS Group internal control system performance was recognised adequate**

In 2023, we will continue enhancing the internal control system across MTS Group companies. In doing so, we will place a strong focus on notifying employees of the system's operation, scaling up the procedure for ensuring reliability of financial reporting when exchanging data, and improving control over the division of roles and authority in the Group's information systems.

The Internal Audit Unit is responsible for conducting internal audits across the Group. It operates independently of the Company's management and reports to the Audit Committee of the Board of Directors (functionally) and to the MTS President (administratively). The Internal Audit Unit assesses the efficiency of the internal control system, risk management and corporate governance processes. In addition, it integrates IT analytics into audits and to monitor risks in business processes. The said unit also coordinates the investigation into submissions received via the Unified Hotline.

The Internal Audit Unit conducts audits of the MTS ESG programmes to render them as high-performing as possible. In 2022, the Occupational Health and Safety (OHS) compliance programme was audited in accordance with ISO 37301:2021 'Compliance management systems'. Following the audit, recommendations were issued to automate medical checkups, enhance OHS training, and revise the evaluation system and KPIs for OHS employees.

In 2022, the operation of the MTS inclusive culture and accessible environment programme was also audited. Following the audit, it was recommended to raise awareness regarding the employment and onboarding for people with disabilities, and to further improve offices for mobility impaired people.

In 2023, we intend to conduct audits of the Ecology and Respect for Human Rights in the Workplace compliance programmes.

**An internal audit at MTS is conducted in line with high international standards. The unit successfully passed an external independent assessment. Its activities were recognised compliant with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors**

# TAX MANAGEMENT

GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4

Compliance with tax laws, timely and complete discharge of tax obligations are the principles followed by all MTS Group companies. Tax payments are among the ways to contribute to the social and economic development of the regions where we operate.

The tax function is managed by the Tax Administration Department. The said department drafts and updates internal tax documents, and is in charge of tax risk management. Internal tax regulations are applicable to all MTS Group companies, with account taken of special aspects of their business. Foreign companies operate in accordance with the requirements of jurisdictions in which they are based and are independently responsible for discharging their tax obligations.

To identify and determine tax risks to be disclosed to tax authorities, the internal Tax Risk and Asset Management Regulations have been drawn up.

We administer the tax function on the following principles:

- completeness and reliability of tax payments
- maintaining a reputation of a bona fide taxpayer by each Group company
- close engagement with regulators
- unified and consistent tax methodology
- system-based management of tax risks and assets
- informed decision-making
- timely stakeholder engagement and notification

**MTS joined the tax monitoring regime. MTS financial and business operations are monitored in real time. It enables to faster resolve disputable issues, reduce fines and penalties, decrease paperwork and the number of audits. Major taxpayers within the MTS Group submit quarterly tax payment projections and analytical notes on tax liabilities to tax authorities**

In 2022, all MTS Group companies performed their tax obligations in full: tax payments totalled 64.7 billion roubles. Of those, 18% were remitted to regional budgets, which allowed us to make a significant contribution to the regions of our presence. The total profit tax paid amounted to 11.3 billion roubles.










**64.7** billion roubles  
MTS tax payments


















# OPEN DIALOGUE WITH STAKEHOLDERS






GRI 2-25 GRI 2-29

Our dialogue with stakeholders is always built on the principles of openness, transparency, partnership, and balance of interests. We enhance communication channels and, owing to the MTS digital expertise, may promptly receive the necessary feedback, process and analyse it, and, most importantly, act on the information provided by our stakeholders.

-  Direct talks
-  Unified Hotline
-  Toll-free short number of the call centre
-  Official social media accounts of the Company
-  Hotlines and single numbers of the Group's verticals and functions
-  Corporate reporting
-  Joint participation in industry and expert conferences, forums, and other business events
-  Membership in expert councils and working groups under public bodies on the telecoms development and functioning
-  Participation in national projects

Key topics	Primary communication channels	Additional communication channels	Key highlights in 2022
<p><b>Retail users</b></p> <ul style="list-style-type: none"> <li>• Exceptional customer experience</li> <li>• Fair pricing</li> <li>• Information security and personal data protection</li> <li>• Customer privacy</li> <li>• Responsible business practices</li> <li>• Digital economy enhancement</li> </ul>	    	<ul style="list-style-type: none"> <li>• Automated surveys on the communication services quality and customer calls</li> <li>• Service quality assessment using the mystery shopper method</li> <li>• Audits of service processes and monitoring of waiting times in retail outlets</li> <li>• Support services</li> </ul>	<ul style="list-style-type: none"> <li>• 80% of Russians have access to LTE network services; 98% of the populated territory has access to mobile communication services</li> <li>• 70% of customers are ready to try new MTS and partner services</li> <li>• In 2022, the number of ecosystem customers increased by 53% to 13.5 million users</li> </ul>
<p><b>Corporate customers</b></p> <ul style="list-style-type: none"> <li>• Exceptional customer experience</li> <li>• Fair pricing</li> <li>• Information security and personal data protection</li> <li>• Responsible business practices</li> <li>• Advancement of, and access to, digital services</li> <li>• Digital economy enhancement</li> </ul>	   	<ul style="list-style-type: none"> <li>• Assessment of satisfaction level by key service parameters</li> </ul>	<ul style="list-style-type: none"> <li>• 15 major agreements signed for private LTE networks</li> <li>• VoiceBox digital employee recognised the best voice robot platform</li> <li>• 10 new cloud products developed in 2022</li> <li>• Series of online and offline MTS Marketer conferences held for businesses</li> </ul>

Key topics	Primary communication channels	Additional communication channels	Key highlights in 2022
<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Fair remuneration and social package</li> <li>Training and development</li> <li>Working conditions, occupational health and safety</li> <li>Promotion of corporate volunteering and social responsibility</li> <li>Respect for human rights</li> <li>Responsible business practices</li> <li>Advancement of, and access to, digital services</li> </ul>	 	<ul style="list-style-type: none"> <li>Internal corporate Pulse portal and corporate newsletters</li> <li>360° engagement survey</li> <li>Meetings and direct links with Company's top management</li> <li>Official HR accounts of the Company in social media, MTS Karma feedback service</li> <li>CSR activities</li> <li>Digital employee profiles</li> </ul>	<ul style="list-style-type: none"> <li>Average salary in MTS Group — 24% higher than the national average</li> <li>High level of employee engagement — 93% in 2022</li> <li>Level of employee loyalty increased by 26.8% to 87.6%</li> <li>MTS Group's VHI expenses increased by 6% vs 2021</li> </ul>
<p><b>Suppliers and partners</b></p> <ul style="list-style-type: none"> <li>Responsible business practices</li> <li>Cooperation and contractual performance</li> <li>Quality services for different customer categories</li> <li>Transparent procurement</li> <li>Joint implementation of projects on digitalisation of the economy, social and cultural sphere in the regions of operations</li> <li>Advancement of, and access to, digital services</li> </ul>	    	<ul style="list-style-type: none"> <li>Notification of procurement procedures and practices adopted by the Company</li> <li>Procurement Management Unit hotline: suppliers@mts.ru</li> </ul>	<ul style="list-style-type: none"> <li>Online platform for counterparty anti-corruption training introduced, where one may get information on MTS anti-corruption compliance standards and best practices</li> <li>More than 3,200 people received anti-corruption training (up 68% vs 2021)</li> <li>74% of respondents recommend us as a business partner</li> </ul>
<p><b>NPOs and public organisations</b></p> <ul style="list-style-type: none"> <li>Contribution to the society and areas of presence</li> <li>Financing of social and charity projects</li> <li>Implementation of environmental and social projects</li> <li>Enhancing inclusion and accessibility of digital services</li> <li>Education and digital literacy programmes</li> <li>Digital economy enhancement</li> <li>Exceptional customer experience</li> </ul>	    	<ul style="list-style-type: none"> <li>Grant competitions</li> <li>Informal meetings with influencers</li> <li>Partner projects</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, MTS joined the National Inclusive Contract, under which we assumed the obligations to accelerate and expand the launch and adaptation of digital diversity, equity, and inclusion projects (DE&amp;I projects) in the territories where we operate</li> <li>MTS confirmed the highest category of the A+ Leaders in Corporate Philanthropy rating of the Donors Forum Association of Grantmakers</li> </ul>
<p><b>Regulators and public bodies</b></p> <ul style="list-style-type: none"> <li>Development of communication networks and telecoms infrastructure</li> <li>Elimination of digital inequality</li> <li>Digital economy enhancement</li> <li>Improvement of sectoral legislation</li> <li>Development of smart cities</li> <li>Making digital services more accessible</li> </ul>	    	<ul style="list-style-type: none"> <li>Agreements with regional authorities</li> </ul>	<ul style="list-style-type: none"> <li>MTS won in the Best Solutions for the Digital Economy – 2022 categories of the ComNews Awards 2022. The Digital Water Utility solution was recognised the Best Digital Solution for Urban Water Supply, while Celsius sensors — the Best IoT Solution for Healthcare</li> </ul>

	Key topics	Primary communication channels	Additional communication channels	Key highlights in 2022
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Strong and solid financial performance of the Group</li> <li>• Development strategy, including in the area of sustainable development</li> <li>• Information security and data protection</li> <li>• Responsible business practices</li> <li>• Robust corporate governance</li> <li>• Transparency of the Company's operations</li> <li>• Digital economy enhancement</li> <li>• Exceptional customer experience</li> <li>• Making digital services more accessible</li> </ul>		<ul style="list-style-type: none"> <li>• Disclosures in the <a href="#">Investors section of the corporate website</a></li> <li>• Group and individual meetings with analysts and investors</li> <li>• Participation in Russian and international conferences and road shows</li> <li>• ESG disclosures as per international best practices, including through non-financial reporting</li> <li>• Publication of press releases and information on significant events on the MTS website and RIA portal</li> <li>• General Meetings of Shareholders of MTS PJSC in person, their live video</li> <li>• Online Register shareholder account</li> <li>• Provision of information requested by shareholders and investors</li> </ul>	<ul style="list-style-type: none"> <li>• We held a series of audio and video interviews with the Company's top management, Director of Investor Relations, arranged by the Moscow Exchange, Russian brokers and bloggers to make sure our plans are transparent for various investor categories</li> <li>• To increase transparency and factor in the views of all stakeholders, MTS received public assurance of its non-financial reporting from the Civic Chamber of the Russian Federation and RAEX in 2022</li> </ul>
<b>Other market actors</b>	<ul style="list-style-type: none"> <li>• Collective protection of industry-specific interests</li> <li>• Enhancement of best practices</li> <li>• Sharing network infrastructure facilities</li> <li>• Responsible business practices</li> <li>• Safe Internet and stronger user data protection</li> <li>• Digital economy enhancement</li> <li>• Making digital services more accessible</li> </ul>	   	<ul style="list-style-type: none"> <li>• Membership in business associations</li> <li>• Contribution to sectoral social initiatives</li> <li>• Partner projects</li> </ul>	<ul style="list-style-type: none"> <li>• In 2022, joint projects were launched with carsharing and scooter-sharing services and other leading companies</li> <li>• Over 30 million MTS customers used partner services owing to our product integration</li> <li>• MTS representatives participated in 300 industry conferences and events in 2022</li> </ul>

# Shareholder Relations

Openness and transparency are our top priorities in shareholder and investor relations. We maintain an efficient disclosure system that operates with account taken of the requirements for the placement of securities on the Moscow Exchange.

In a volatile external environment in 2022, we closely monitored the recent legislative developments and applied the best practices for open communications with investors and shareholders. MTS continued to publish reports with a view to achieve a full and transparent presentation of the Company's performance.

The way in which the Company administers ESG aspects of its operations is becoming increasingly important for investors and shareholders. Therefore, we not only enhance our ESG practices but also improve the quality of our sustainability disclosures. In October 2022, MTS was the first company to receive public assurance of its non-financial reporting by the Civic Chamber of the Russian Federation and rating partner RAEX. Since 2010, our reporting has been receiving public assurance by the Russian Union of Industrialists and Entrepreneurs. Compliance with recommendations enables us to improve our non-financial reporting and provide unbiased information regarding the MTS business integrity and risks, including in terms of the governance, social, and environmental agenda.

In 2022, the MTS investor relations team published over 50 press releases and blog posts, participated in a number of conferences arranged by investment banks and analytical agencies for retail investors, and in other events. In doing so, we made sure that our performance and scheduled actions were transparent for different shareholder categories.

## Share Capital Structure

Information about persons owning shares, disposing of votes by shares, being beneficiaries by shares in MTS PJSC as of 31 December 2021

	Number of ordinary shares	% of charter capital
Sistema PJSC <sup>1,2</sup>	841,019,563	42.085%
MGTS PJSC <sup>3</sup>	5,452,327	0.273%
Stream Digital LLC <sup>3</sup>	87,245,832	4.366%
Bastion LLC <sup>3</sup>	182,557,489	9.135%
MTS PJSC	38,691,384	1.936%
MTS PJSC	843,414,980	42.205%
<b>Total</b>	<b>1,998,381,575</b>	<b>100%</b>

<sup>1</sup> Stake of Sistema PJSC also includes the stake of its subsidiary Sistema Telecom Assets LLC (11.03% shares of MTS PJSC).

<sup>2</sup> Beneficiary owner of Sistema PJSC, holding 49.2% of the authorised capital is Mr. Vladimir Petrovich Evtushenkov, citizen of the Russian Federation. MGTS PJSC, Stream Digital LLC and Bastion LLC are subsidiaries of MTS PJSC.

<sup>3</sup> MGTS PJSC, Stream Digital LLC and Bastion LLC are subsidiaries of MTS PJSC.

<sup>4</sup> Under the Deposit Agreement, the guaranteed period for conversion of ADRs into ordinary MTS PJSC shares expired on 12 January 2023 (inclusive). As far as we understand, the depositary may continue to convert ADRs into ordinary shares and/or sell the unconverted shares to distribute the proceeds therefrom to ADR holders.

## Dividends

In June 2022, the Annual General Meeting of Shareholders approved payment of dividends for 2021 in the amount of 33.85 roubles per ordinary share. The dividends totalled 66.3 billion roubles. On 16 August 2022, payment of dividends in the amount of 48.2 billion roubles was completed. Pursuant to the effective Russian legislation, dividends may be paid to ADR holders only after their conversion into ordinary MTS PJSC shares<sup>4</sup>. In June 2023, the Annual General Meeting of Shareholders approved payment of dividends for 2022 in the amount of 67.2 billion roubles, or 34.29 roubles per ordinary share.

# RESPONSIBLE SUPPLY CHAIN



Mutually beneficial, fair, and open cooperation is the backbone of MTS relations with its suppliers and partners. Procurement management is aimed at respecting the Company's and counterparties' interests, providing for competitiveness, minimising risks, and increasing the economic efficiency of procurement.

## Supply Chain Management

We build a flexible procurement management system using a variety of procurement procedures. In this way, we maintain the best compromise between quality, delivery deadlines, and the cost of goods and services. The **MTS Procurement Rules** constitute the key document regulating MTS procurement operations. In total, the Group applies more than 20 local regulations in its procurements. It is important for us to keep internal documents up-to-date and amend them to reflect changes in the external setting. In 2022, we commenced updating the key documents, being the Counterparty



### Selection and the Procurement Policy.

MTS provides for equal competitive opportunities and common rules for all participants in the procurement procedures prior to their commencement. The MTS supplier selection process is fully automated thanks to the Oracle Sourcing IT system module, and 100% of procurement procedures, including bidding, are performed electronically.

→ For the complete list of MTS internal regulations on procurement, see the **'List of Regulatory Documents'** section

In 2022, we increased the level of automation and transparency of procurements. We incorporated changes rendering the current procurement process more transparent, convenient, and faster for MTS business units:

- made anti-corruption training for counterparties mandatory
- introduced a questionnaire and compliance review procedure for subcontractors
- consolidated procurement procedures for companies belonging to the MTS Group
- started implementing a commercial contract management system to perform automated counterparty checks based on their contractual performance
- implemented the 3Click Self-Procurement system, whereby employees may initiate, perform, and track the status of small purchases on their own

## Procurement Structure in 2022

In response to the volatile external environment and supply chain disruption risks, we sought to provide for continued procurement by arranging emergency purchases in February–March 2022.

To make sure that the supply chain is flexible and reliable, and to purchase the best quality products, MTS supports local manufacturers and suppliers<sup>1</sup>: a share of such purchases across the Group is 98–99%. We consider it necessary to strengthen cooperation with small and medium-sized enterprises (SMEs). In 2022, the Company ramped up a share of SMEs in procurement to 57%.

In order to save money, increase efficiency, and standardise procurement practices, MTS participates in joint purchases with partner companies. The amount of joint purchases was 1,633 billion roubles, net of VAT.

MTS Group's total purchases decreased down to 191 billion roubles year-on-year, driven by many major partners withdrawing from the Russian market.

<sup>1</sup> Local suppliers are suppliers that manufacture products in the country of MTS Group companies' operations.

Most MTS Group's purchases are attributed to acquisition of machinery and subscriber equipment. Owing to a prompt increase in inventory in March 2022, a decline in purchases of machinery was not so obvious. An increased share of IT products was due to the rouble value enhancement of foreign vendors' products.

## Supplier Engagement

MTS is open to interaction with suppliers on participation in procurement, tenders, and supplies of manufactured products and services. In 2022, we used the following communication channels:

- external.hotline.mts@ru.b1.com (23 submissions)
- suppliers@mts.ru (11 submissions)

A total of 34 submissions were received, down 60% year-on-year. MTS responded to all of them. The submissions primarily dealt with contractual interaction.

In 2023, we intend to evolve a service-oriented model and migrate to interacting with customers in a business partner format, while maintaining the timely and uninterrupted nature of procurement. We expect to continue optimising the process from procurement to payment to make sure than processes are seamless, and nurture a product-based culture when developing automation solutions.



→ MTS Procurement

# Incorporation of ESG Aspects into the Supply Chain

GRI 308-1 GRI 308-2 GRI 408-1 GRI 409-1 GRI 414-1 GRI 414-2

## Counterparty Code of Business Conduct

We embed sustainability principles into our procurement system. It ensures reliability and conformance of goods and services with MTS requirements, and enhances responsible business practices of suppliers.

The **MTS PJSC Counterparty Code of Business Conduct** sets forth MTS requirements to counterparties and applies to all the Group’s subsidiaries. The Code lays down the minimum standards that counterparties are expected to meet. They cover not only ethical and fair business conduct but also respect for human rights, labour practices, social responsibility, and compliance with environmental laws. Participants in MTS procurement procedures shall confirm their agreement to abide by the Code in order to submit a quotation.

MTS seeks to interact with its business partners on the principles of transparency and openness and performs counterparty checks for conformance with the Code of Business Conduct and Ethics, as and where necessary. If MTS identifies any non-compliance with the Code’s recommendations or statutory provisions, it may suspend or terminate cooperation with the counterparty in default. In 2022, 13 companies were included in the register of bad faith suppliers following the audits and investigations into non-corruption violations of the Code.

MTS checks counterparties and third parties to identify corrupt practices in accordance with applicable anti-corruption laws. To participate in procurement procedures, a counterparty needs to fill in the **Participant Questionnaire** for compliance with MTS requirements, including compliance requirements. In 2022, two counterparties were included in the list of bad faith suppliers for instances of unethical behaviour in commercial activities and violations of the Code.

## Environmental Criteria

MTS procurement policy takes account of the following criteria when purchasing goods of certain categories: the level of environmental impact and environmental safety. Participants in procurement procedures shall meet the requirements for compliance with environmental laws, and their contracts shall contain environmental responsibility clauses.

MTS monitors the quality of products purchased and acquires goods with quality certificates pursuant to statutory requirements.

## Anti-Corruption Training for Counterparties

To make our counterparty engagement more transparent and efficient, we have introduced a mandatory anti-corruption course for counterparties on the **iSmart** platform. The course completion enables MTS suppliers to gain access to registration in the MTS e-procurement system, sign contracts, and enter into transactions with the Company.

**In 2022, over 3,200 MTS suppliers and partners received training in various formats, up 68% year-on-year**

→ For more information on anti-corruption training for counterparties, see the **‘Unified Compliance System’** section

## JAC Audits

MTS has been a member of the international association of JAC telecoms operators since 2017. The work of the association is aimed at increasing the quality and responsibility of supply chains at IT and telecoms companies.

Along with other association members, MTS Group arranges annual supplier audits, with an average of five audits annually. The JAC principles are based on international sustainability standards (SA 8000, ISO 14000).

The audits cover five areas:

- labour conditions
- health and safety
- environmental impact
- ethical standards
- governance systems

Following each supplier audit, an audit report and a corrective action plan are drawn up, and their implementation is monitored. All JAC members have access to a single database storing audit reports, corrective action plans, and information regarding their implementation.

In 2022, MTS carried out nine supplier audits. Based on the audit results, all participants were given recommendations on corrective actions; two suppliers have by now completed the required actions in full and provided documentary evidence.



# INFORMATION SECURITY



GRI 3-3 TC-IM-230a.1 TC-TL-230a.1 TC-SI-230a.1 TC-IM-230a.2 TC-TL-230a.2 TC-SI-230a.2

Information security is one of the pillars of responsible management at MTS. We ensure the security of our own information infrastructure and our users' data based on international best practices and standards. The Company has innovative technologies, well-established processes and expertise to maintain a consistently high level of security.

## Management system

MTS Group's information security management system is functioning successfully. We take measures to timely identify and prevent security threats, be it a cyber attack or a human factor in an employee's work. The Company regularly analyses the security of the information and communications infrastructure and eliminates vulnerabilities. Every year we prepare a Comprehensive Security Action Plan.

Our system is based on the requirements and recommendations of the regulatory bodies of the Russian Federation and MTS Group's countries of presence, as well as domestic and international standards and global best practices. The Company is governed by a number of internal documents. Key documents include:

- MTS PJSC Functional Strategy to Ensure Comprehensive Security
- MTS Group Information Security Policy
- Regulations on the Information Security Procedures of MTS PJSC
- Policy 'Ensuring Personal Data Security at MTS PJSC'

→ For more information on the list of MTS regulatory documents in the field of information security and personal data protection, see the '[List of Regulatory Documents](#)' section

**The information security management system of MTS Group is certified for compliance with ISO/IEC 27001:2013 Information Technology. Methods and means of ensuring security. Information security management systems. Requirements<sup>1</sup>**

The organisational structure of MTS Group provides for availability of information security experts at all levels of corporate governance. The Information Security Department is responsible for the continuous operation of the Company's information and communications infrastructure and services, as well as the protection of confidential information. It monitors compliance with the requirements of laws in the relevant area, develops internal regulations and internal corporate documents, supervises their implementation, oversees the search for vulnerabilities and the investigation of incidents.

At the level of MTS branches and subsidiaries, information infrastructure and data are protected by security services. With the expert support of the Information Security Department, they adopted their internal regulatory documents on information security.

Security is the responsibility of every employee. The Company has introduced a trade secret regime in accordance with the Regulations on the Information Security Procedures. Employees are granted access to confidential information solely for the performance of their job duties as part of their job description. To improve the security culture, the Company regularly conducts training to remind its employees of the fundamentals of information security and the rules for working with confidential data.

<sup>1</sup> The British Standards Institute conducted a supervisory audit in 2021 and extended Compliance Certificate No. IS719403 for 2022.

## Risk response

Cyber threat monitoring has become especially important given the growing activity of intruders, as companies are forced to constantly repel DDoS attacks and combat malicious software, phishing and data breaches. The 24/7 cyber threats monitoring and response centre of MTS SOC (Security Operations Centre) performs real-time checks for vulnerabilities in MTS Group and takes actions in the event of security incidents.

In addition to the risk of business processes interruptions, information security incidents are associated with the risk of financial and reputational losses. The management of these risks is included in the overall risk management system of MTS Group. Its main principles are defined in the Policy 'Integrated Risk Management in MTS Group' which also applies to MTS subsidiaries.

<sup>1</sup> Critical information infrastructure includes information systems and communications facilities that are critical to the functioning of key areas of life of the state and society, e.g., for the functioning of government institutions, enterprises of the fuel and energy sector, banks, etc. It is governed by Federal Law No. FZ-187 On Security of the Critical Information Infrastructure of the Russian Federation dated 26 July 2017.

### Areas of information security support

## MTS GROUP INFORMATION SECURITY MANAGEMENT SYSTEM

### Infrastructure

### PROTECTION OF OWN INFRASTRUCTURE AND INFORMATION AND COMMUNICATIONS TECHNOLOGIES

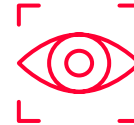
### Infrastructure

### PROTECTION OF END USERS AND THEIR DEVICES

### Infrastructure

### PROTECTION OF CRITICAL INFORMATION INFRASTRUCTURE (CII)<sup>1</sup>

### Monitoring



- 24/7 analysis of the current events in the IT infrastructure
- identification and notification of incidents
- scanning for vulnerability to the latest threats

### Response



- blocking of malicious software
- investigation of the reasons for an incident
- development of recommendations on preventing similar incidents

## Functions of MTS SOC

Vulnerability is a weakness of the system that a violator can use to cause damage. If a threat is realised through a vulnerability, an information security incident occurs. MTS SOC will report a critical incident within 60 minutes (up to 180 minutes in the event of a minor incident) and take measures to eliminate it. The Centre investigates the reasons for the incidents and prepares recommendations on preventing such incidents. In 2022, MTS Group successfully identified and eliminated a number of information security incidents, as well as constantly prevented vulnerabilities and analysed the Company's security to prevent incidents.

## Information security improvement

In 2022, the Information Security Department ensured the security of the Group and its customers from external and internal threats. We have taken measures to protect critical information infrastructure facilities and provided employees and customers with the opportunity to use MTS services in a comfortable and seamless manner.

**No precedents have been identified that resulted in material reputational and financial losses**

In the reporting year, in order to reduce risks and improve the information security management system, the Department:

- promptly developed an import substitution roadmap to mitigate risks associated with the use of information protection tools from foreign countries and relevant legislative restrictions
- amended the terms of reference for tender procurement of software and hardware in accordance with the roadmap, prepared the terms of reference for restructuring the corporate architecture of the CII protection system
- developed its proprietary IGA SSO (Identity Governance and Administration, Single Sign-On) user authentication system to replace the foreign Oracle Access Manager product, integrated it with more than 600 information systems of MTS Group companies
- introduced an additional authentication factor for remote connection to VDI/VPN via the application, launched the process of cataloging and managing VPN groups, automated control over the purpose and revocation of user rights
- implemented a vulnerability scanner on communications networks to identify and eliminate vulnerabilities
- organised the operation of the Barrier system (restriction on access to prohibited resources on the global Internet) and increased the system's throughput capacity by 40% without the use of additional hardware
- developed anti-spam services, including integration with anti-fraud systems. More information on anti-fraud and anti-spam services is available in the ['Providing an Accessible Environment and Services'](#) section

In 2023 and the medium term, the Company plans to improve the information security system of MTS Group in the following areas:

- **Implementing of the distributed security strategy**
  - develop an information security policy with risk-based decisions
  - introduce key performance indicators on information security for MTS Group managers and employees
  - implement centralised accounting and control over the level of security of information assets in MTS Group
- **Complying with legal requirements on information protection**
  - ensure adequate CII protection measures
  - improve personal data processing procedures and mitigate the risk of fines
  - complete the transition to Russian information protection tools by 2025
- **Creating of a cyber security network**
  - consolidate security tools and services to create a common integrated security structure for the entire MTS Group, regardless of location
  - simplify the use of security technologies for MTS Group companies, and reduce administrative and overhead expenses
- **Promoting a cyber security culture**
  - implement a comprehensive programme to improve the cyber security culture for the purpose of more effective protection
- **Ensuring security of restricted information**
  - continue digitalisation of information security processes
  - develop a risk-based model of information security management in MTS Group

Quote

MTS Vice President, Corporate Security and Procedures

“

We continuously ensure information security of MTS Group, customers and partners. An effective information security system of MTS Group in 2022 made it possible to prevent the implementation of threats that could affect the development of the MTS ecosystem, breach of confidentiality, integrity and accessibility of digital products, services and processed data.

”

# SUSTAINABLE BUSINESS DEVELOPMENT



117	MTS ESG Strategy
121	Sustainable Development Management
123	ESG Risk Management
131	Recognition and Awards
136	Membership in Associations and Organisations



# MTS ESG STRATEGY

GRI 2-22 GRI 2-23 GRI 2-24

Another confirmation of our commitment to sustainable development is the adoption and development of the best global ESG practices. Since 2021, MTS has been consistently implementing its ESG strategy, which set strategic priorities: environmental care, development of the digital society, ensuring an inclusive environment, and responsible governance. In each of these areas, the Company implements projects, programmes and individual initiatives.



## ENVIRONMENTAL CARE

- Energy efficiency management
- Monitoring of the carbon footprint
- Circular economy development
- Eco-education



## DEVELOPMENT OF THE DIGITAL SOCIETY

- Provision of affordable products and services for all
- Digital skills training
- Development of skilled IT professionals
- Development of digital infrastructure

## ENSURANCE OF AN INCLUSIVE ENVIRONMENT

- Respect for human rights, decent working conditions, inclusion, and diversity
- Ensurance of an accessible environment for all
- Volunteering
- Support for the development of regions and communities

















## RESPONSIBLE GOVERNANCE

- Ethical business conduct
- Ensurance of information security
- Effective management of the ESG agenda
- Development of the ESG agenda at the local and international levels

In setting the goals and objectives of the ESG strategy, MTS is guided by the best Russian and global practices, including the UN SDGs, the provisions of international standard ISO 26000 (Guidance on social responsibility) and the National Development Goals of the Russian Federation up to 2030. We strive to contribute to the achievement of all the SDGs, but considering the specifics of our business and opportunities, we take a proactive approach to achieving 14 of the 17 SDGs. We are ready to take action in respect of other UN SDGs in case we receive a respective request from our stakeholders.

### PRIORITY UN SDGS

Social Area <span style="color: #f00; font-size: 20px;">➔</span>	    
Economic Area <span style="color: #f00; font-size: 20px;">➔</span>	    
Ecological Area <span style="color: #f00; font-size: 20px;">➔</span>	   

→ For more information on MTS contribution to the SDGs and National Development Goals, see the [‘Table of Company Initiatives’ Compliance with the UN SDGs and Russian National Goals’](#) section

In order to effectively fulfil its obligations to stakeholders, achieve its goals and comply with ESG trends, MTS is improving its approach to sustainable development management.

## BY 2025, ESG APPROACHES WILL BE IMPROVED IN THE FOLLOWING THREE AREAS:

### STREAMLINING

further improvement of approaches

### SCALING UP

expanding the application of successful practices

### TESTING

search for and testing of new approaches

## OUR APPROACH TO ESG MANAGEMENT

Analysis of the current ESG agenda and ESG trends and their impact on the development and promotion of business initiatives

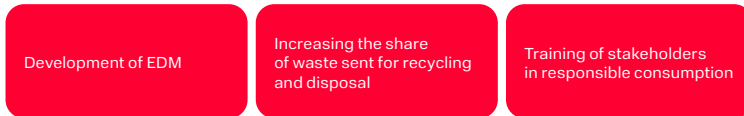
Positioning and promotion of current initiatives depending on their effectiveness and relevance to achieving the Company’s goals

Development of new initiatives based on MTS priorities and society’s requests

## UPDATED MAP OF ESG PRIORITY INITIATIVES

### E — Environmental Care

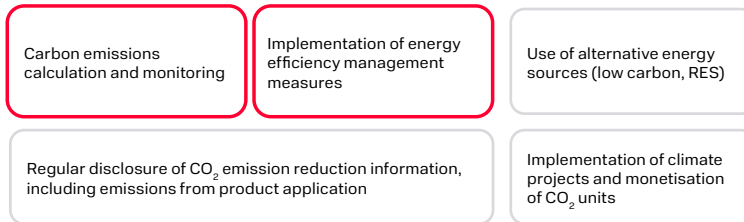
#### Responsible use of resources



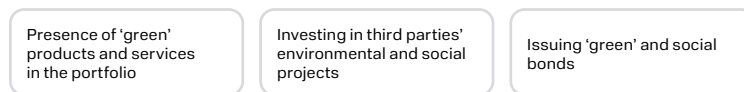
#### E-waste management



#### Carbon management

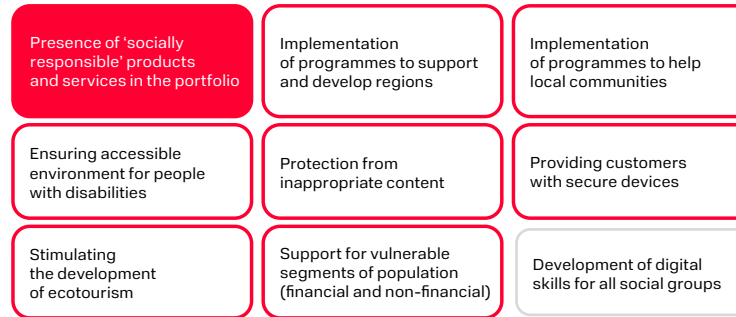


#### Development of 'green' products and services



### S — Development of the Digital Society. Ensurance of an Inclusive Environment

#### Responsibility to Society



#### Responsibility to Employees

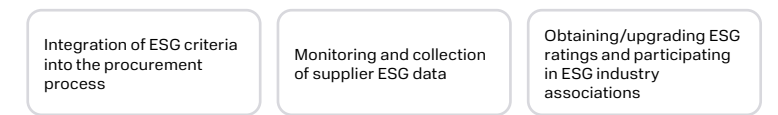


### G — Responsible Governance

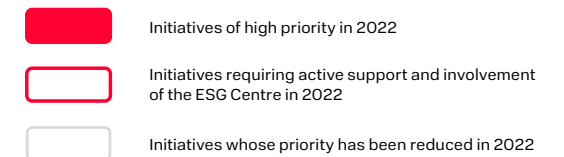
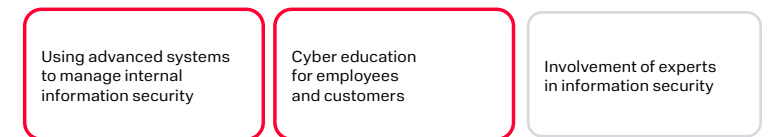
#### ESG agenda management system



#### Responsible supply chain



#### Information security management system



- **In the E area**, the Company focused on building a system of responsible resource use throughout the entire period of creating a digital product (LCA assessment) – from selection of a method of waste disposal after the end of the service life of IT equipment to the ESG assessment of potential suppliers as part of procurement procedures.
- **In the S area**, special emphasis was placed on programmes for social and psychological support of employees, development of the DE&I culture, ensuring the accessibility of digital services for people with disabilities, expanding the list of educational programmes in the most popular areas.

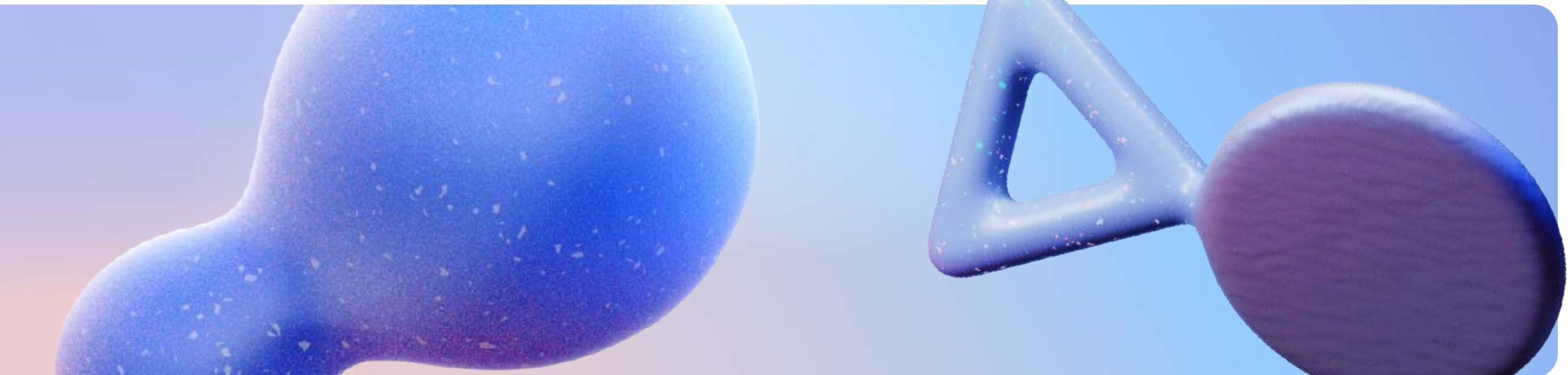
- **In the G area**, the Company scaled up the compliance system, ensured a reliable and responsible supply chain, expanded information and cyber security programmes, and built a comprehensive ESG risk management system.

For the Russian market, 2022 was marked by searching for benchmarks and creating domestic tools to regulate and assess the effectiveness of ESG activity of companies in a wide range of areas, including strategic and operational planning, analysis of the impact of MTS projects and products on the ESG

agenda both on a global and national level. MTS took an active part in meetings of specialised committees of the ESG Alliance, responded to stakeholder inquiries, assisted in the improvement of national rating methodologies and ESG assessment of Russian companies.

In 2023, MTS plans to maintain its sustainability focus and continue to implement socially-important ESG initiatives and projects and promote the values of responsible and sustainable business.

**At the same time, the ESG Centre monitors the implementation of all initiatives, regardless of their priority. It focuses on projects that are valuable for the brand and forms the image of MTS as a socially and environmentally responsible partner and employer**





# SUSTAINABLE DEVELOPMENT MANAGEMENT

GRI 2-9 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-16

MTS takes a responsible and comprehensive approach to sustainable development management issues. The ESG Centre is responsible for the systematisation and management of our projects in this area at the operational management level. The ESG Committee (the Corporate Governance, Environmental, and Social Responsibility Committee) of the MTS Board of Directors provides strategic oversight.

MTS's sustainability management system covers all levels and lines of business of the Company. This makes it possible to apply a truly integrated approach to achieving our sustainable development goals. MTS operates on the basis of ESG principles and applies high standards of corporate governance. The Board of Directors, the Management Board, and the President of MTS take an active part in the management of sustainable development, from defining the ESG strategy to discussing the ESG agenda. They systematically evaluate the achievements of the Group in terms of target indicators of social programmes and initiatives in the field of environmental protection. Collegial management bodies annually review the Sustainability Report. Sustainability documents and local regulations enter into force only after they have been approved by the Board of Directors and the President.

Quote

Secretary of the ESG Committee, Head of the MTS ESG Centre



Despite many changes around the company in 2022, MTS retains its standards, goals and processes with respect to all relevant ESG topics. Thanks to the outstanding professionalism of MTS management and the ESG Committee team, we are able to achieve our goals and maintain the sustainability of the company's business. I would like to express my special gratitude to all members of the ESG Committee for their engagement, focus and understanding, and also for the opportunity to discuss matters in a very constructive and friendly atmosphere.



## Committees of the Board of Directors

The ESG Committee of the Board of Directors oversees the implementation of the ESG strategy across the Group, contributing to the implementation of significant ESG programmes and initiatives in the Group as a whole. The committee comprises independent, non - executive, executive directors and representatives of management and shareholders. This ensures the most objective decision-making.

In 2022, the ESG Committee met 12 times and discussed:

- issues related to the development of corporate governance in the company;
- new HR initiatives to promote inclusion and create a suitable environment for hiring;
- energy efficiency and responsible resource use initiatives;
- results of the audit of processes on working with special groups as part of the implementation of social programmes;
- the ESG Centre's key initiatives;
- results of ESG projects at subsidiaries.

In its activities, the ESG Committee is guided by the recommendations and requirements of current legislation, the Charter and internal Company documents, the Code of Business Conduct and Ethics, decisions of the Company's management bodies, the Regulations on the Committee, and the best global management practices of the ESG agenda.

The Risk Committee, chaired by the resident of MTS, discusses the Company's key risks, including environmental and social risks, and makes collegial decisions on the development of plans to reduce them. Since 2016, the Compliance Committee has been operating at MTS. The Committee makes decisions on the formation and implementation of programmes that comprise the Unified Compliance System.

To effectively manage the ESG agenda, MTS established the **ESG Centre** at the beginning of 2022, which provides methodological and practical support to MTS structural divisions and subsidiaries of the MTS Group for the effective implementation of key areas of the ESG strategy.

**Centre for Social and Charitable Programmes** is responsible for the development and implementation of MTS's own federal, social, and charitable programmes (Generation M, Power Place, Urban Legends, Cultural Code, etc.), partnership initiatives, and volunteer activities, that aim to position the Company as socially responsible among various stakeholder groups as well as to publicly promote the Company's ESG activities.

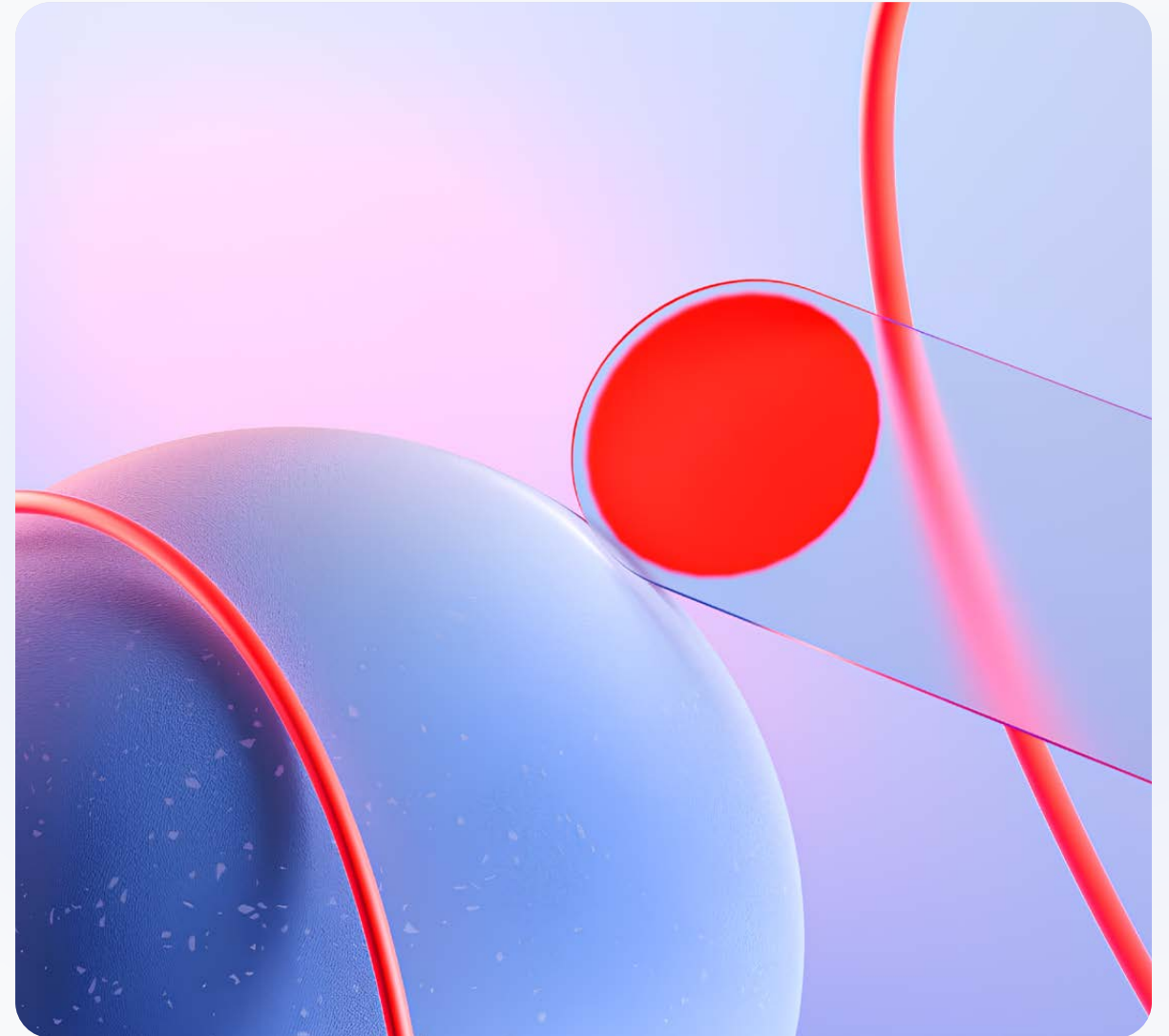
MTS Group's charitable activities are controlled by the **Supervisory Board for Charity**, which includes top MTS Group managers. The collegial body agrees and approves the list of projects for which the charitable budget is spent.

**The Centre for Social Responsibility, Diversity, and Inclusion** is responsible for implementing the Diversity, Equity, and Inclusion Policy, including implementing special programmes for volunteers, employment, to support employees and socially vulnerable groups of the population, and education.

The implementation of environmental projects is handled by the **Ecology Functional Group**. The division is responsible for integrating the principles of environmental responsibility into the business processes of the MTS Group, and also contributes to the formation of an environmental culture through the implementation of environmental education projects.

The sustainable development agenda and the system for managing its aspects permeate all business verticals of the Group, where working groups are also being created to implement ESG projects and employees are being sought to manage this agenda. For example, the issues of carbon management, climate change risk assessment, and climate reporting are handled by the **Working Group on Environment and Responsible Finance**, chaired by the Director of the ESG Centre. The working group includes representatives of more than 15 structural divisions of MTS, as well as subsidiaries of the MTS Group.

The business areas involved in the ESG agenda implement projects and initiatives, as well as collect ESG data for further consolidation in the ESG Centre.



# ESG RISK MANAGEMENT

GRI 2-25 TC-SI-550a.2 TC-TL-550a.2

An integrated approach, robust analysis and a single risk management methodology allow MTS to factor in risks in decision making, including at the junctures of areas of responsibility of various ecosystem units, with the digital services being in synergy with the social ones.

We have a systematic approach to managing all types of risks inherent in MTS's diversified business throughout the entire structure and geography of the Group's operations. To guarantee the comprehensiveness, quality, and multi-level nature of analysed information, we have provided a single channel for informing the Company's management for each of the decision-making levels. It is this approach that allows us to promptly anticipate various options for the development of the situation and take the necessary steps to mitigate risks on time.

Quote

Director, Strategy Department, MTS

“

As a provider of advanced, widely used services, we recognise our influence on the development of various areas of life, as well as on the perception of the population and businesses of their confidence in current and future social and economic well-being. We understand our own responsibility and in the face of uncertainty and stress we strive to become a stabilising factor for society, employees, partners and investors. Circumstances can adjust our plans, but in our case we do not just believe, but we can clearly see that our strategic priorities are set correctly. We are confident in what we do, thinking calmly and pragmatically, responding proactively to threats and seizing opportunities to secure the interests of the company and investors.

”

MTS risk management is based on our internal Policy 'Integrated Risk Management'.

→ [Risk Management Policy](#)

For more information about the Group's risks, see:

- [Form 20-F](#)
- [Report of an Issuer of Issuable Securities](#)

Responsibility for risk management is distributed among the functional divisions of the Company. The main task of the Risk Committee, chaired by the President of MTS, is to review key risks and to make decisions on steps to mitigate them.

→ For more information on the Company's risk management system, see the [Annual Report for 2022](#)

In 2022, we did not ease management processes with respect to ESG risks, including climate and environmental ones, which we identified as separate risks last year, and in terms of socio-economic aspects such as import substitution, infrastructure security and human resources risks. In addition, taking into account the digital specifics of the Company's operations, we paid close attention to the risks associated with the digitalisation of society, in particular information security and measures to prevent them.

MTS distinguishes between physical risks (natural and climatic risks related to the physical effects of climate change) and transition risks (climate regulatory risks related to the transition to a low-carbon economy, including regulatory risks, technological, market and reputational risks). When assessing the risks, we broadly follow the SSP2 scenario 'Middle of the Road', which assumes an interim path with social, economic and technological trends not shifting markedly from historical patterns. Development and growth are uneven, global and national institutions work toward achieving the UN SDGs, resource and energy use is decreasing, and there are challenges to reducing vulnerability to societal and environmental changes.

→ For more information on E-risk management, see the '[Carbon Management](#)' section

## Key principles of risk management

### INTEGRATION PRINCIPLE

envisions a systemic approach to management of all types of risks inherent in MTS business, in all organisational structure and geography of MTS Group presence. Cross-functional collaboration and coordination of business units is maintained to manage risks outside the framework of their specialisation, as well as accounting of mutual effect of risks from various units. A single company management notification channel is provided for the whole risk spectrum to guarantee the completeness, quality and comparability of the information provided for each level of decision-making.

### CONTINUITY PRINCIPLE

consists of the implementation of a set of ordered risk management procedures on a regular basis.

### JUSTIFICATION PRINCIPLE

envisions an analysis of the ratio between costs for risk assessment reduction and potential damage from their occurrence.

**Priority sustainability risk factors<sup>1</sup>**

Risk description	Risk mitigation measures	Target
<b>Economic and social instability</b>		
Volatility in countries and regions of presence caused by downturn or slowdown in economic growth. Impact of volatility: deterioration in the financial position of our customers and partners, reduced demand, lower revenues and lower performance indicators	<ul style="list-style-type: none"> <li>• Monitoring of the macroeconomic and geopolitical situation in our markets</li> <li>• Adaptation of tariff instruments in response to changes in the general economic background</li> <li>• Maintaining a high level of customer satisfaction through expanding the line of services we offer</li> <li>• Attracting external financing on the most beneficial terms possible</li> <li>• Control over the level, value and structure of debt obligations</li> </ul>	Achieving sustainable business development and high operational performance
<b>Regulatory risks</b>		
Changes in legislation on of communications services in the countries of operations	<ul style="list-style-type: none"> <li>• Monitoring of current trends in legislation on communications services and tax law in the countries of operations</li> <li>• Participation in improving the industry regulatory framework as part of a working group together with regulators</li> </ul>	Achieving sustainable business development Ensuring regulatory compliance
<b>Tax risks</b>		
Penalties resulting from changes or ambiguous interpretation of tax laws	<ul style="list-style-type: none"> <li>• Compliance with the requirements of tax legislation in the countries where the Group operates, prompt response to any changes and monitoring of current trends in the lawmaking and tax law of Russia and foreign jurisdictions, which makes it possible to make comprehensive decisions on tax planning and customs regulation in a timely manner</li> <li>• Attracting qualified consultants</li> </ul>	Achieving sustainable business development Ensuring regulatory compliance
<b>Compliance risks</b>		
Non-compliance with anti-corruption control standards	<ul style="list-style-type: none"> <li>• Use of global practices to improve the anti-corruption compliance system</li> <li>• Development of the Unified Compliance System in the Group</li> <li>• Regular update of key compliance policies and procedures governing high-risk transactions</li> <li>• Prevention of corruption among employees and counterparties through special rules and procedures</li> <li>• Following best practices of compliance management system</li> </ul>	Promoting transparent, honest, and ethical business practices and preventing abuse

<sup>1</sup> Presented are the most significant risk factors that could affect the Company's performance and its contribution to sustainable development.

**Priority sustainability risk factors**

Risk description	Risk mitigation measures	Target
<b>Social risks</b>		
Social instability in the workforce Shortage of qualified personnel	<ul style="list-style-type: none"> <li>• Development of mechanisms of social support for employees and provision of career and personal growth opportunities</li> <li>• Effective communication with personnel</li> <li>• Assessment of the internal climate through surveys</li> <li>• A system of education and practical training of personnel</li> </ul>	Building an attractive HR brand Building high-performance teams
<b>Occupational safety risks</b>		
Increased injuries Penalties related to potential health and safety violations	<ul style="list-style-type: none"> <li>• Occupational safety management system certified to OHSAS 18001:2007</li> <li>• Internal control over working conditions</li> <li>• Special assessment of working conditions</li> <li>• Training of all categories of employees</li> <li>• Preventive medical examinations</li> <li>• Providing employees with individual protection equipment</li> <li>• Compliance with sanitary and epidemiological requirements</li> </ul>	Ensuring employee safety

Priority sustainability risk factors

**Risk description**      **Risk mitigation measures**      **Target**

**Risk of inability to effectively develop the network**

Due to the development, construction and maintenance of the MTS communications network, we have to purchase equipment and software requiring significant capital investments.

Besides, the limited frequency spectrum available for development may prevent us from achieving the full expected benefits from the construction and weaken the effects of expansion.

Network deployment may be complicated by difficulties in finding sites for base stations on commercially viable terms, obtaining permits and certificates for the operation of telecommunications equipment and/or import and export permits for certain network equipment, which may result in delays in procurement and hinder network development plans.

The regulator's final decisions on how to distribute the spectrum for 5G networks will affect the development of the mobile communications market and the business model of operators for the development of 5G services.

Continuing to invest in infrastructure development, the Company believes it can gradually reduce its capital expenditures while maintaining the quality of its services. MTS performs joint procurement procedures with a number of partners, as well as joint construction and operation of network infrastructure elements. In addition to economic benefits, the co-operation achieves harmonisation of technical and functional requirements, approaches and methodologies.

The Company is in constant contact and interacts closely with representatives of regulators, industry associations, network equipment manufacturers and other players of the telecommunications market. Such interaction on the part of MTS is aimed at defending the Company's interests, maintaining sound market competition, rapid and timely adoption of the latest technological solutions and, ultimately, at building innovative and diverse customer experience. MTS PJSC is convinced that all actions of the regulator, in particular decision-making on the mechanism of 5G network deployment, should be geared towards maintaining the long-term sustainability of the industry and take into account the interests of all parties, including service consumers and operators.

MTS joined New Digital Solutions LLC, a joint venture (JV) of mobile operators. The objective of the is to perform conversion work and free up spectrum for future development of 5G technologies.

- Increasing network capacity and data rates to meet growing demand
- Ensuring efficient network planning and capital expenditure optimisation
- Protecting the Company's interests in frequency resource distribution
- Promoting a digital society and digital economy

**Priority sustainability risk factors**

**Risk description      Risk mitigation measures      Target**

**Risks of human rights violations**

<p>Non-compliance with Russian labour legislation Discriminatory and unethical behaviours, improper public statements, etc.</p>	<ul style="list-style-type: none"> <li>• Annual external assessment of compliance programmes and its analysis in terms of compliance risks at the level of business processes</li> <li>• Approval of the Diversity, Equality and Inclusion Policy and other regulations governing key human rights issues in the workplace</li> <li>• A single hotline for employees to report difficult working situations</li> <li>• MTS Inclusion programme</li> </ul>	<p>Creating comfortable working conditions and providing equal opportunities for the realisation of the creative potential of employees</p>
---	---	---

**Environmental risks**

<p>Failure to comply with environmental reporting requirements Operation of a facility that has a negative environmental impact without prior registration with the state Violation of environmental control and monitoring requirements Engaging in operations involving emissions of pollutants into the atmosphere or waste management without the necessary permit documentation</p>	<ul style="list-style-type: none"> <li>• Compliance with the Policy 'Ecological Safety and Environmental Protection at Administrative Facilities'</li> <li>• Environmental protection activities and implementation of environmental projects</li> <li>• Obtaining permit documents by the established deadline</li> <li>• Environmental training for employees</li> <li>• Environmental control of production facilities</li> <li>• Monitoring of changes in environmental legislation at the level of the Corporate Centre and regional operations</li> <li>• Preparation of sustainability reports and other information materials for the distribution of environmental information</li> <li>• Timely payment of environmental impact fees stipulated by the legislation</li> </ul>	<p>Reducing negative environmental impacts Complying with environmental laws of the countries of presence Complying with national and international environmental standards Raising environmental awareness of employees and the public</p>
--	---	---



**Priority sustainability risk factors**

**Risk description      Risk mitigation measures      Target**

**Information security risks, including cyber risks**

Unauthorised actions by employees and partners that violate the information security policy, as well as illegal actions by third parties may lead to a breach of confidentiality, integrity or accessibility of information, including leakage of subscriber data. This may entail suspension of main business processes, a reduction in the market share, claims from subscribers, regulators, and partners and have material negative consequences for the reputation, business, financial position, performance, and prospects of MTS. Violation of personal data processing laws and financial losses as a result of sanctions under the General Data Protection Regulation or sanctions of regulators under article 13.11 of the Code of Administrative Offenses of the Russian Federation (parts 1, 2, 4, 5, 6, 8). Despite the measures taken, the occurrence of such incidents in future cannot be completely ruled out.

- Compliance with international standards and requirements of Russian laws when developing the Information Security Policy
- A centralised information protection system, unification of measures to protect various categories of restricted information in accordance with ISO 27000 international standards and regulations of the Russian Federation on protection of personal data, secrecy of communication, trade secrets, and insider information
- Protection of personal data at the third level of protection in accordance with the laws of the Russian Federation
- Ensuring the secrecy of communication using information protection mechanisms built into means of communication in accordance with international communication standards and requirements of the industry regulator
- Availability of licences for technical and cryptographic protection of confidential information and monitoring of information security events
- Ensuring secure processing of restricted information in corporate information systems, including when working remotely

Ensuring the continuity and security of the Company's business processes during the transition to digital technologies in the face of growing cyber risks and stricter legal requirements related to information security  
 Ensuring compliance with the requirements of laws FZ-126, FZ-152, etc.  
 Development of an effective internal cyber security system  
 Increasing MTS expertise in information security to provide relevant solutions and services to customers and partners

## Future prospects in view of the ESG agenda

Regarding the meaningful trends in various sectors and business areas relevant to digital ecosystem companies in Russia and globally, we would like to note the following developments that we plan to focus on in the medium term.

### Telecommunications:

- The deployment of 5G networks around the world continues, which will facilitate further digitalisation. Despite their mass rollout, 5G networks have not yet come into common use
- The relatively modest 5G adoption rates globally can be explained by the lack of new (relative to LTE) relevant application scenarios for such networks, both in the B2C and the B2B segments. It is clear that the search for cases and corresponding experiments will continue – probably not only by operators themselves but also by third-party companies, in cooperation with telecom firms or independently
- There has been a quantum leap in satellite communications. In addition to the ongoing deployment of low-Earth-orbit (LEO) satellites, 2022 was marked by a number of significant events related to ensuring direct satellite-smartphone communications, based on both existing satellite systems and promising ones
- Such guaranteed availability of communications ‘everywhere’ (albeit in the form of SMS/ other messenger services) on a standard smartphone, as well as the lower cost and greater compactness of broadband terminals of LEO systems, may potentially lead to appearance of new services in completely different areas – for example, in fintech (access to a digital wallet/ digital money), in guiding unmanned vehicles (remote control, if necessary), which in general will help reduce the level of digital inequality

### In our opinion, the following trends will continue in the media sector:

- Smart TV sets are an important channel (and even the main one as during the pandemics they have increased their share significantly) of video content consumption, which increases the fight of digital ecosystems for control over this channel (through relevant operating systems), both globally and in certain local markets, including Russia
- As for the segment of video content sales, the year 2022 showed that diversified companies and digital ecosystems that have other products in addition to an online cinema are likely to be more sustainable in the long term
- Video content (both professional and amateur) itself and the means of its delivery (online cinemas, video hosting services, relevant social networks) will continue to increase their public influence and significance, which will impose more and more formal and informal requirements and restrictions related to ethics and social responsibility both on content creators and distributors

### Digital technology prospects:

- The expansion of artificial intelligence and machine learning applications and the growth in the quality of products based on such technologies require more powerful (and specialised) computing resources that are often available – even for large companies – only in the form of cloud solutions from external providers

- Another area – edge computing based on a geographically distributed network of data centres – is an example (along with 5G) of a technology for which the search for practical applications is still in the early stages, but which already has a promising future
- The consumption of electricity by data centres will become more and more important in the global energy balance, so stricter energy efficiency requirements will be imposed on them (both formal and image-building). In addition, the issue of energy consumption may become a factor restricting the extensive use of new products (such as AI applications taking up much space) in the medium term if consumption cannot be reduced or at least its growth cannot be substantially slowed down thanks to progress in software and/or hardware development
- Cyber security is also a growing concern – not just at the level of companies, but also at the level of countries, governments, and society as a whole – and requires increased attention from both cloud providers and their customers, which creates a growing long-term demand for products and services in this area

In general, it should be noted that the current development of many technologies has already reached a certain level of maturity, but there are still relatively few mass cases of their use. Therefore, we believe that testing such cases and their business models in the medium term will be no less important than technological development and introduction

of innovations. At the same time, in view of the current geopolitical environment, the development of products on the basis of these trends may take place in different ways.

### ESG landscape:

- The trend towards ‘sociality’ and accessibility will continue, as the importance of social support increases
- For digital companies, cyber security issues and projects to improve cyber awareness and digital hygiene will no doubt remain on trend. Innovative digital technology products will continue to be a growth driver for the sustainable development agenda. They not only improve people’s lives, but also make people closer to each other, make education accessible and convenient, help significantly reduce the carbon footprint, and contribute to the conservation of nature
- Throughout 2022, the professional community worked together to develop the Russian regulatory framework for sustainable development and ESG. In 2023, we expect active development of Russian regulatory documents, an entire set of national ESG scoring methodologies and recommendations containing and specifying the requirements for the business to integrate ESG aspects into their operations taking into account the Russian specifics – MTS is actively involved in a number of working groups

# RECOGNITION AND AWARDS

We highly value the expert assessment of our products and services that drive the environmental, social, and economic development of the regions where we operate. In 2022, we strengthened the Company’s presence in various ESG ratings, and our leading positions in these ratings attest to the effectiveness of the Company’s contribution to sustainable development. In the reporting period, the expert community repeatedly noted the high quality, transparency, and accessibility of information on ESG programmes published by MTS, as well as its consistent performance of the social mission – to implement such practices that ensure responsible environmental, economic, and social impact with a focus on digitalisation.

Quote

Head of the Centre for Social and Charitable Programmes of MTS

“

We are proud that during the year MTS, a company that implements ESG initiatives through high-tech services, was repeatedly mentioned among the leaders of the ESG agenda along with traditionally strong manufacturing companies. We are confident that it is this integrated approach, where sustainability projects complement each other, that allows us to make a major contribution to the sustainable development of society.

”

Quote

General Director of RAEX Agency

“

Today, digital technologies and Internet services drive the development of our society, that is why we decided to invite MTS, a recognised leader in the digital market, to become a pioneer in public assurance of financial statements. All product lines developed by MTS Group – in the telecom, financial services and media segment – are social in nature and are of great interest to various target audiences.

”

Quote

Managing Director of the Corporate Responsibility, Sustainable Development and Social Entrepreneurship Department, Chairman of the Expert Council on Non-Financial Reporting at RSPP

“

MTS demonstrated a high level of ESG reporting, which means that the ecosystem pays great attention to the sustainability agenda. In 2022, MTS improved its position in the ‘Responsibility and Transparency’ ESG index of the Russian Union of Industrialists and Entrepreneurs (RSPP) moving from group B+ to group A – this achievement characterises the Company as one of the leaders in the sustainability agenda. This rating is indicative of the Company’s mature culture of responsible business conduct and of the totally new level of management and organisation of operations in key sustainable development areas achieved by MTS.

”



## ESG management system

- MTS was recognised as the leader in development of business and ESG reporting in Russia as a result of the 'Business Leaders' competition held by the RSPP.
- The Company was one of the leaders in the first ESG index of the Russian business prepared by RBC and NCR, a rating agency. MTS Fintech was also ranked in the 'Above Average' category of this index.
- The rating agency AK&M confirmed the top-grade rating (RESG 1) of the ESG reporting prepared by MTS.
- RAEX awarded the highest rating to the annual and ESG reporting of MTS – the Company received 'Five Stars'.
- MTS was the first company to undergo public assurance of its non-financial reporting by the Civic Chamber of the Russian Federation and the rating agency RAEX.
- MTS was assigned the highest A++ sustainable development rating with a stable outlook was assigned by the rating agency AK&M. This ESG rating on the national scale was awarded to the Company for the first time.
- MTS became the industry leader in the ESG transparency ranking of Expert RA.
- A B score (Management band) was awarded by CDP, an international not-profit organisation that manages the world's leading environmental impact disclosure platform.
- MTS was a leader among digital companies in the RAEX ESG rating – the Company ranked 11th.
- The Company was exposed to medium ESG risks according to Sustainalytics, an international rating agency.



## Digital solutions

- The Company won the 'Digital Breakthrough – 2021' award. The MTS platform to search for commercial losses in power grids received the award in the 'Best Digital Technological Solutions and Projects for the Power Grid Complex' category.
- MTS won the 'PRO EDO' award for its electronic document management system. The Company's document management system received prizes in two categories – 'Optimisation: New Level of Technology and Performance' and 'Recognition: Best Project According to the Business Community.'
- MTS was awarded prizes for Best Solutions for the Digital Economy of ComNews Awards 2022. The Digital Water Utility solution was recognised as the 'Best Digital Solution for Urban Water Supply,' its Celsius sensors were named the 'Best IoT Solution for Healthcare,' and the VoiceBox Digital Employee developed by MTT, a subsidiary of the Group, received an award as the 'Best Voice Bot Platform for Business.'
- MTS won the professional award 'Digital Peaks – 2021' in the 'Best IT Solution for the Energy Sector' category. The MTS platform to search for commercial losses in power grids was recognised as the 'Best IT Solution for the Power Sector.'
- MTS was one of the leaders in terms of the number of subscribers to its ecosystem services according to the research by Frank RG.
- The Company was recognised as the leader in the market of solutions for corporate customers according to the research by TMT Consulting, an independent consulting agency. According to the agency, MTS led in terms of revenues in the market of virtual PBXs and 8-800 toll-free calls.



## Industry leadership

- According to RAEX, MTS made the top three in the ranking of Russia's largest IT companies.
- 12 top managers of MTS were ranked among the 'Top 1,000 Russian Managers' in the Communications and Telecommunications sector. MTS led the ranking in terms of top positions in the industry.
- MTS was named among the top 20 Russian companies with largest capital investments in five years according to the first Forbes-50 rating. During this period, the Company invested about 500.8 billion roubles (IFRS data).
- MTS Fintech won the 16th annual RETAIL FINANCE AWARDS 2022 and also received a prize in the 'Creative Idea of the Year' category and the 'BIG EXPECTATIONS' special award for smart services.
- MTS was named the winner of the 'Company of the Future – 2022' award by the Kompaniya magazine.
- MTS received the 'Discovery of the Year' special prize for the expansion of its ecosystem amid global instability.
- MTS won the award of the Russian Association of Public Relations (RASO) for its successful transition from a telecom company image to a digital ecosystem model in the 'Breaking the Mould' category. The award was given for a significant change in the perception of the Company, creation of a new image, and a reputational breakthrough.
- MTS received a certificate from RAEX Rating Consortium stating that based on its performance for 2021 MTS Group was among the largest information and communications technology companies and groups.
- MTS made the Top 10 of the Brand Finance Global 500 annual ranking for 2022.



## Advances in ecosystems

- The KION series 'My Mother's Penguins' and 'Vertinskiy' won the 20th Golden Eagle National Film Award.
- MTS Travel became the winner of the Best Travel IT Solutions Award in the 'Best Big Data Solution' category for a comprehensive solution for tourism development in Russia.
- The KION series 'Khrustalnyi' was recognised as the best Russian crime drama by the 'Russian Detective Stories' award.
- The KION drama 'My Mother's Penguins' won the 'White Elephant' national award of film experts and critics as the best TV series.
- KION's projects won the 4th National Web Industry Award in four categories.
- The KION online cinema received the main prize of the 10th annual 'Mediabrand' award.
- TV series and films of the KION online cinema received prizes as part of the 13th National Multichannel Digital TV Award 'Big Digit'.
- The MTS CASHBACK card made the top three of FINAWARD 2022 – the annual award for innovations and achievements in the financial sector – in the 'Financial Product' category.
- The e-sports team of MTS, Gambit Esports, became the most popular Russian club and made the list of top global clubs, becoming the only Russian club in the top 10 – its games were watched by the audience for a total of 76.6 million hours.



## Environmental initiatives and education

- MTS was the winner of the international project 'Environmental Culture. Peace and Harmony' in the 'Environmental Education' category.
- The Company received the ECO BEST AWARD – the MTS Life Cycle Laboratory cross-functional project won in the 'Best Internal Corporate Project' category.
- MTS became the winner in two categories of the 'Green and Healthy Office' environmental campaign. The Life Cycle Laboratory ecosystem project received two prizes: as the 'Best Environmental Education and Internal Training Programme' and the 'Best Corporate Environmental Project'.
- The complex project 'BUD'ECO with MTS' made the top three in the 'Best Environmental Education Programme' category of the contest for best Russian practices of corporate social investments held by the Donors Forum, an association of grant-making organisations.
- The environmental education programme implemented by MTS together with the Fixies was among the winners of the 'For Commitment to Science – 2022' Russian national award.
- The 'For Children About the Planet' environmental education project of MTS won silver in the All-Russian Corporate Volunteering Competition 'Champions of Good Deeds' in the 'Environment' category.



## Leading HR practices

- MTS was one of the best employers for IT students according to Changellenge.
- The MTS Corporate University educational platform received a prize in the 'Federation' category of the 'HR Brand' award.
- The 'MTS Experts' HR project won the 'Effective Education' award in the 'Best Employee Training Programme' category.
- The Company received the 'platinum' status in the rating of Russia's best employers according to the Forbes magazine.
- MTS Fintech made the top 10 companies having the most developed HR processes according to the hh.ru portal.
- MTS Fintech won the 'Digital Pyramid' HR TECH AWARD for its large-scale Digital Workplace project.
- MTS was named one of the winners of the 'People Investor' Russian Corporate Project Competition for its 'Comprehensive Inclusion and Diversity Project'.



## Social projects and charity

- MTS confirmed its highest A+ rating in the 'Leaders of Corporate Charity' competition held by the Donors Forum.
- MTS social and environmental initiatives were recognised as the best in Russia. Three MTS projects were named among leading ESG practices.
- The social policy of MTS won the ESG Excellence Award 2022. The Company was awarded the main prize in the 'Best Social Policy Organisation' category of ESG Excellence Award 2022 – the first professional ESG, sustainability, and corporate social responsibility award.
- The 'MTS is a Company for Everyone' project was recognised as the best practice of the CSR University acceleration programme organised by the Moscow Chamber of Commerce and Industry.
- The rating agency AK&M named MTS among the leaders in the 5th social performance rating of the largest Russian companies.
- MTS won the Innovation Time 2022 Award thanks to its career guidance project for children and young people 'My Country SvyaziYa'.
- The #InternetWithoutBullying project implemented in Belarus won gold in the 'Social Campaigns' category of the Advertising & Marketing Awards (ADMA) and in the 'Social Practices and Projects' category of the 'Brand of the Year 2022' award.



## Achievements in responsible management

- ICA Risk Management confirmed compliance of the MTS Compliance Management System and Anti-Corruption Compliance Management System with international ISO standards. The Company successfully adopted the updated standards.
- MTS was the winner of the anniversary contest for annual reports held by the Moscow Exchange in the 'Breakthrough of the Year' category. The Company received the award for making its reports better from year to year and for improving the quality of information disclosed in its annual reports.
- MTS Fintech won the annual Cbonds Awards 2022 in the 'Best Initial Offering in the Non-Financial Sector' category for organising the issue of Segezha Group's bonds.

# MEMBERSHIP IN ASSOCIATIONS AND ORGANISATIONS

GRI 2-28

- National Radio Association, an association of national radio frequency resource users
- Public-Government Association of Electronic Document Communications
- Regional Commonwealth in the Field of Communications
- Corporate Counsel Association, a non-profit partnership Russian Union of Industrialists and Entrepreneurs, an all-Russia association of employers
- Media Communication Union, a non-profit partnership for development of the media industry

**In addition, a number of subsidiaries are members of associations that unite participants in the respective markets**

- Association of Antimonopoly Experts
- GSM Association
- Forum for International Irregular Network Access
- Russian Association of Public Relations (RASO), a non-profit partnership
- Russian Managers Association, an interregional public organisation
- Chamber of Commerce and Industry of the Kaliningrad Region
- Vyatka Chamber of Commerce and Industry
- UNISCAN/GS1 Russia, an automatic identification association
- Digital Economy, an autonomous non-profit organisation / Big Data Association
- Joint Audit Cooperation
- Donors Forum, an association of grant-making organisations
- Telecom Infra Project (TIP)

- Open Net Technologies, an association of organisations for the development of open communication networks
- All-Russian Intersectoral Association of Employers — the Union of Builders of Communications and Information Technology 'StroySvyazTelecom'
- Interregional Industry Association of Employers 'Union of Designers of Infocommunication Facilities 'ProjectSvyazTelecom'
- Association 'AI Alliance Russia'
- 5G Future Forum (5GFF)
- Reseaux IP Europeens Network Coordination Centre (RIPE NCC)
- Smart Apartment Building, an autonomous non-profit organisation to promote the digitalisation of apartment buildings



# MTS TODAY



- 138 MTS Digital Ecosystem
- 140 Evolution of MTS Strategy
- 145 Business Model
- 146 Contacts



# MTS DIGITAL ECOSYSTEM

GRI 2-1 GRI 2-6 TC-TL-000.A TC-TL-000.B

MTS is an integrated digital service provider. Our mission is to provide innovative, technologically advanced, and above all, convenient digital services to millions of users around the world. We have built a digital ecosystem with a wide range of telecom services, from mobile and data communications to cable and satellite TV broadcasting. The Company is also a provider of digital services, including fintech, media and IT solutions, including communication platforms, IoT, automation, monitoring, data processing, cloud computing and information security services.

The telecommunications business is the backbone of our ecosystem. Being the core of the ecosystem, sustainable telecommunications ensure the stability of the whole Group, as well as support the development of other MTS businesses.

In 2022, rapid growth of our ecosystem business, which took off a year earlier with the launch of KION Online Cinema, continued, with the Media, Entertainment and Fintech verticals contributing to sustainability. By acquiring the Bronevik Group, we successfully launched MTS Travel — a promising leading travel organisation. We have also relaunched the MTS Lines e-Book service.

Ecosystem development is a way forward for sustainable development of both our business and socio-economic development of society. Users trust us: suffice it to say that the number of customers in the MTS ecosystem exceeded 13.5 million — up 52.7% year-on-year.

**Vyacheslav Nikolaev,**  
MTS President

“

As of the end of 2022, MTS has demonstrated a stable performance in a changing external environment. In the current environment, we are focused on seamlessly delivering high quality services to our customers and ensuring business continuity. It is important to emphasise that the strategy we have implemented to develop an ecosystem of digital products on the strong telecom platform has once again proven its relevance.

”

MTS is currently deploying these networks for mining, energy and metallurgical companies and has the largest share of dedicated technology (Private) LTE projects in Russia. At our subsidiary MTT, we continued to develop our intelligent communications business by integrating voice robots into functionality of virtual PBXs.

Last year, MTS acquired Webinar Group, enabling us to create a single universal video calling and conferencing application.

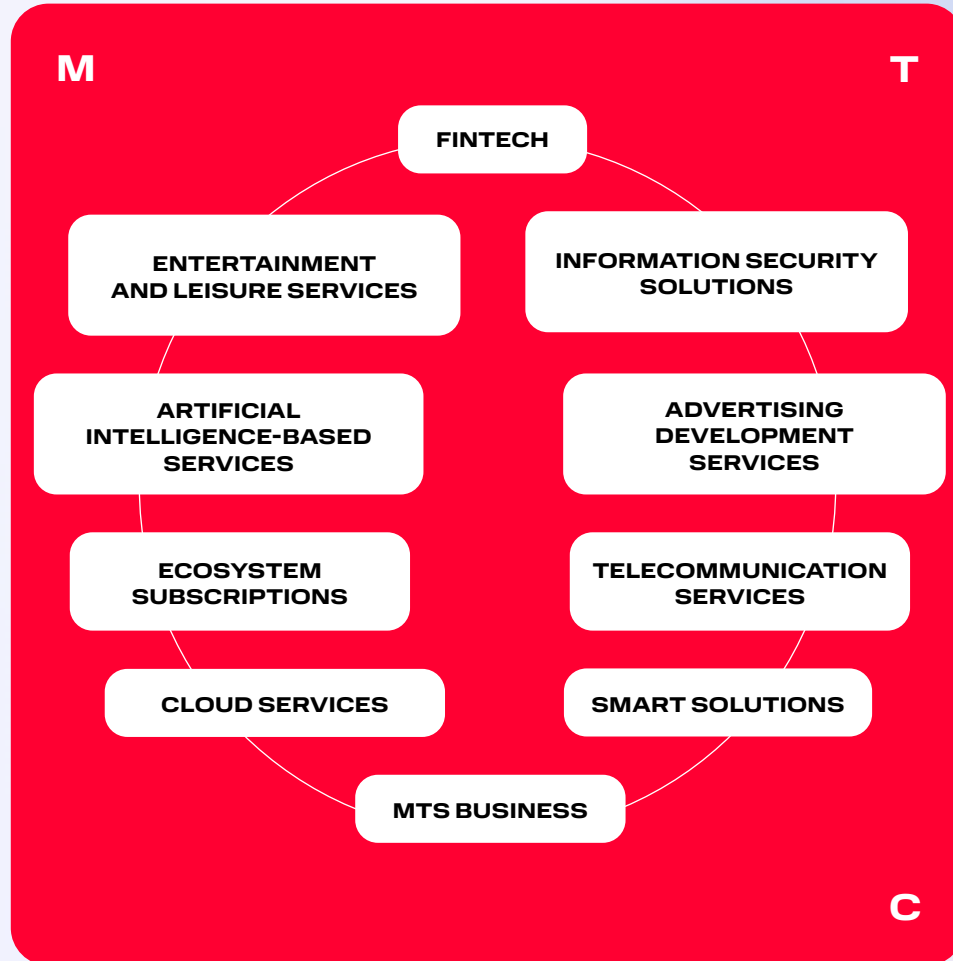
An important part of our digital business is the provision of IT solutions and services. In 2022, we have developed and in early 2023 launched MTS Exolve, a cloud-based platform for rapid and flexible service creation designed to integrate seamlessly with existing IT systems and enable efficient omnichannel communications management.

**Our mission:  
WE ARE BUILDING  
DIGITAL SERVICES AND  
TECHNOLOGIES FOR  
PEOPLE AND COMPANIES  
that transform the familiar  
through new experiences,  
unconventional solutions  
and an open view of the world**

# MTS Group in 2022

## MTS is an Ecosystem of Technology Services

MTS IS THE LEADER IN THE MOBILE BUSINESS CUSTOMER BASE IN ALL COUNTRIES OF PRESENCE



**WE ARE AMONG THE LEADERS OF RUSSIA'S GROWING ECOSYSTEMS**

**88**  
million subscribers  
use MTS services

**100+**  
billion roubles  
ecosystem revenue  
+67%

**541.7**  
billion roubles  
MTS Group revenue  
+2.6%

**13.5**  
million of ecosystem customers  
+52.7%



→ For more information on our services, see [here](#)



→ For more information on MTS' business achievements, see the Company's [Annual Report 2022](#)

# EVOLUTION OF MTS STRATEGY

MTS is in a consistent process of transformation into an IT company. Over the past few years, we have focused on the development and launch of innovative digital projects in such areas as cloud services, cyber security, Internet of Things, big data and artificial intelligence.

In 2022, we have summarised MTS' Customer Lifetime Value 2.0 strategy, which aims to build a sustainable digital ecosystem business on the telecommunications leader's solid foundation. As a result, we have developed the ideology of a seamless digital service environment that includes high-tech services and facilities that help users in different facets. Telecom core is a stabilising factor for us, with some of our businesses reaching a size and maturity in 2022 allowing them to become growth drivers of MTS Group's fundamental value. In 2022, in order to intensify the development dynamics and integration of digital services for sustainable development of society, the efforts of the company's management and corporate governance bodies were focused on finding a new optimal 'format' for the management of the main business verticals.

IoT

## INTERNET OF THINGS

**+55%**  
growth in the number of NB-IoT-customers

**+64%**  
NB-IoT network revenue growth

Cloud

## CLOUD TECHNOLOGIES

**+30%**  
product portfolio growth

**+15%**  
large business segment customers

Advertising

## ADTECH

**+73%**  
new customers

**+62%**  
growth in the number of advertising campaigns

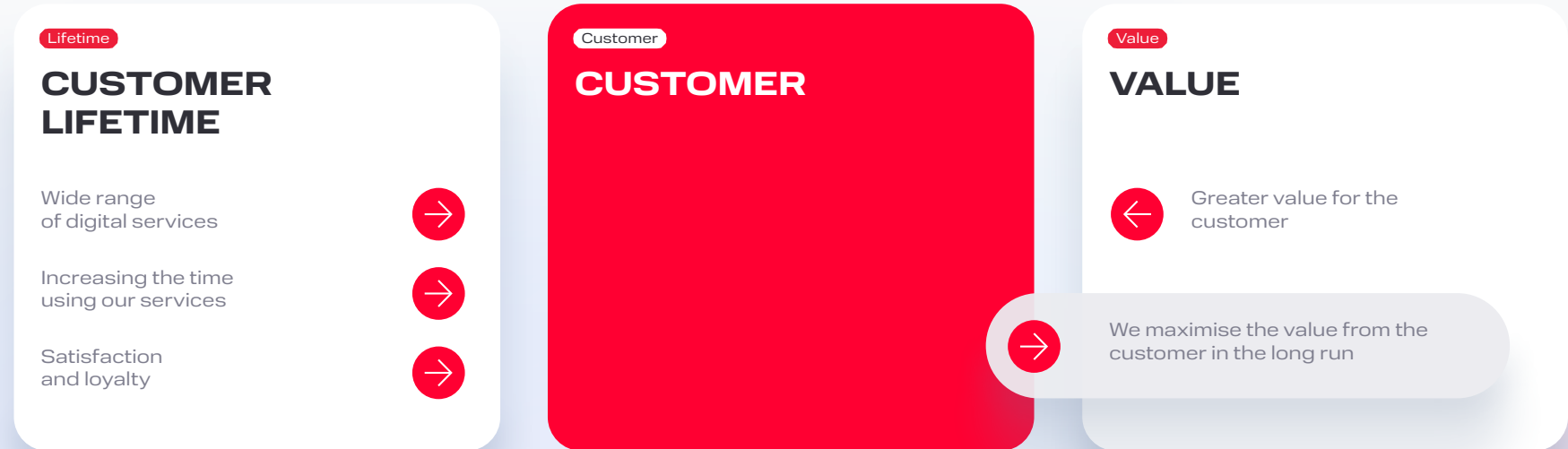
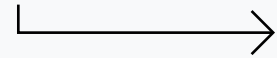
Analytics

## BIG DATA

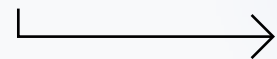
**350+**  
data analysts and employees

**20** PB  
of data stored

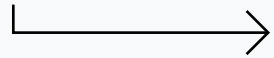
BUSINESS STRATEGY  
CLV 2.0



EVOLUTION OF MTS  
GROUP STRATEGY



# MTS ECOSYSTEM STRUCTURE



## THE CORE

The 'core' of the MTS ecosystem is its historically leading telecom business, ecosystem and technology infrastructure, as well as cloud business. Protecting the 'core' is a fundamental task of the ecosystem.

## SATELLITES

Fintech, Media, Retail operate freely in the market, have independent value for investors and bring additional growth to the 'core' of the MTS ecosystem.

## GROWTH POINTS

New directions: MTS Live, Marketer, Smart Home, MTS AI, MTS Auto, MTS Travel, Cybersecurity. They have a tremendous growth potential and develop in close relation to the 'core'.



## Vector of Development and Transformation

Every business strives for sustainability and growth. Success depends on many factors. The most important of these are partnerships — interacting and collaborating with those who are on the same page as you

To offer new solutions, we must evolve internally. The key to success is product transformation which is under active implementation across the Company. Presently we are developing ecosystem partnerships, whereas before we focused on interactions between team segments. To accelerate the development of new digital products, we moved to a single technology platform **The Platform** which brings together all of the ecosystem's end-to-end IT solutions. By moving to 'this very platform', we aim to increase the speed of bringing new products to market fourfold.



Quote

MTS Digital CEO

“

Despite the challenges we have all faced, the past year has been a very productive one for MTS. We have worked hard on import substitution. One of the most significant achievements was the launch of The Platform technology solution. The transition to that new system allows to reduce the time of infrastructure acquisition from one month to one minute, quadruple speed to market, reduce in half expenditures on information technology business and also substitute outdated systems and products of foreign manufacturers.

”

## THE PLATFORM

**x 4**  
reducing time to market

**x 10**  
reliability improvement


**x 2**  
cost reduction

**> 13.5**  
million ecosystem customers



# Our Brand

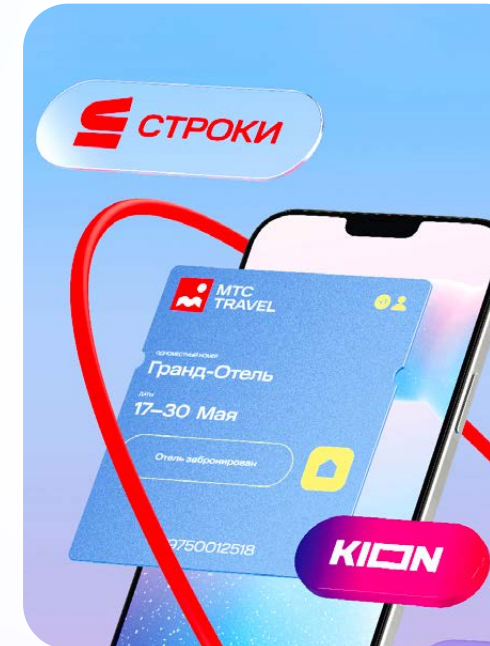
To emphasise the Company's innovative spirit, MTS announced a global rebranding in early 2023. Our brand has now a new logo that has become the foundation for the visual system of all ecosystem products. Major changes in the Company's business, philosophy and internal culture made the rebranding a logical progression. We wanted MTS's ecosystem to be seen as different one.



**Our brand is Russia's most valuable telecom brand**

**58<sup>th</sup>**  
place in the brand value rating

**Brand Finance Telecoms 150: last year, the Company moved from 65th to 58th in the world rankings**



→ Innovations, open partner ecosystem and new MTS brand have been on display [at Platform-2023 Forum](#)



→ MTS: [rebranding case](#)



# BUSINESS MODEL

GRI 2-6

We are confident in the strength of our position: our brand, deep digital expertise and analytics based on artificial intelligence and big data, as well as customer-centricity allow us to provide users with a seamless, deeply customisable and personalised offering across a wide range of digital services. Key priorities for evolution of the ecosystem are to ramp-up the development and enhancement of high-quality digital products and to expand the pool of partner businesses. Meanwhile, all MTS business-lines continue to focus on CLV 2.0 strategy to deliver cumulative value to users.

Quote

MTS Vice President of Strategy and Development

“

In 2022, MTS has demonstrated its resilience in the face of a turbulent external environment. We believe that our strategy is relevant at this time. Both its evolution, which brings benefits and convenience to users through multi-product offerings, and its increased management flexibility as part of the Group's management transformation, have become even more relevant and important. In doing so, we take great care to minimise various risks, while at the same time being ready to react quickly and seize new opportunities that have recently opened up in many markets to help us grow our business.

”

## Value creation triangle



# CONTACTS

GRI 2-3

**Address:** 4 Marxistskaya str., Moscow, 109147, Russian Federation

**Tel:** 8 (495) 911-65-56  
8 (800) 250-08-90

**E-mail:** [socialcenter@mts.ru](mailto:socialcenter@mts.ru)

# APPENDICES



148	Assurance by an Independent Auditor
149	Glossary and Abbreviations
151	List of Regulatory Documents
152	ESG Dashboard
171	Table of Company Initiatives' Compliance with the UN SDGs and Russian National Goals
187	GRI Index and Indicator Details
195	SASB Index and Indicator Details
197	TCFD Index and Indicator Details
198	Accordance to GSMA ESG Metrics for Mobile
204	Details of MTS Group Charitable Donations



# Assurance by an independent auditor

GRI 2-5

This limited assurance report of an Independent Practitioner has been prepared for those charged with governance at MTS PJSC with respect to the Sustainability Report for the year ended 31 December 2022.



AO BST  
5 Lesnaya Street  
Moscow, 125047,  
Russia  
Tel: +7 (495) 787 06 00  
Fax: +7 (495) 787 06 01  
delret.ru

## INDEPENDENT ASSURANCE REPORT

To the Shareholders and the Board of Directors of PJSC MTS:

### Scope of limited assurance engagement

We performed an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) to provide public limited assurance of Selected Data prepared with the reference to the Global Reporting Initiative Sustainability Reporting Standards (hereinafter "GRI Standards") presented in the Sustainability Report of PJSC MTS (hereinafter "the Company") for the year ended 31 December 2022 (hereinafter "the Report").

### Selected Data

We carried out limited assurance on accuracy of the following data related to year ended 31 December 2022 year and included into the Report:

- Of the Selected key performance indicators specified below in the section "Selected non-financial performance data for public limited assurance" related to the year ended 31 December 2022 and included into the Report; and
- Company's self-declaration in preparing its Report for the year ended 31 December 2022 with the reference to GRI Standards as stated in section "GRI Index and indicator details" of the Report.

### Our key limited assurance procedures

To achieve limited assurance, the ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our limited assurance conclusion.

To form our conclusion, we undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
- Interviewed employees of the Company responsible for sustainability performance, policies and corresponding reporting;
- Conducted selective substantive testing to confirm accuracy of received data to the selected key performance indicators;
- Inquired management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of the sustainability issues and selected performance indicators;
- Performed selective review of disclosures in the Report on compliance with GRI Standards.

### Inherent limitations and restriction on use

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, errors or non-compliance may occur and not be detected. Additionally non-financial information, such as that included in reporting documents is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information.

Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this Report, or for the conclusions we have formed.

Our engagement provides limited assurance as defined in ISAE 3000 (Revised). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Roles and responsibilities

- The Board of Directors is responsible for the preparation, accuracy and completeness of the sustainability information and statements contained within the Report. It is responsible for determining the Company's sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.
- Our responsibility is to express a limited assurance conclusion on the Selected Data based on our procedures. We conducted our engagement in accordance with the ISAE 3000 (Revised) published by The International Auditing and Assurance Standards Board (IAASB).

### Independence and quality control

- We have complied with the independence and other ethical requirements established by the Rules on Independence of Auditors and Audit Firms and the Code of Professional Ethics for Auditors approved by the Audit Council of the Ministry of Finance of the Russian Federation and by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.
- The firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

### Selected non-financial performance data for limited assurance

We have been engaged by the Board of Directors of the Company to perform limited assurance procedures on accuracy of the following key performance data of the year ended 31 December 2022 included into the Report:

<b>Energy</b>	Total energy consumption by group, GJ;
<b>Water</b>	Total water withdrawal by group, mln m3;
<b>Waste</b>	Waste generation, total thousand metric tons and a breakdown by: — by types of circulation, thousand metric tons;
<b>Employment</b>	Total number of employees, people and a breakdown: — by age, gender, people; Diversity of management bodies and employees: — share of women on the Board of Directors, %;
<b>Occupational health and safety</b>	Occupational injuries: — number of work-related fatalities, amount of fatalities; — number of lost time injuries, amount of injuries.

### Limited assurance conclusion

Based on the scope of our work and the assurance procedures performed, nothing has come to our attention that causes us to believe that the aforementioned Selected Data, which we were engaged to provide limited assurance on, as specified in the "Roles and responsibilities" section above is not prepared with the reference to the GRI Standards or is materially misstated.

  
Tursunov Timur  
Engagement partner  


AO "Business Solutions and Technologies"  
(ORNZ № 12006020384)

15 December 2023

# Glossary and abbreviations

**2G, 3G, 4G and 5G** — mobile communication standards of different generations, differing in data rate.

**A2P (Application-to-Person)** — conditional automated calls.

**Accelerator** — intensive educational programme for startups.

**ADO** — advertising data operator.

**AI** — Artificial Intelligence.

**AI, Artificial Intelligence** — a field of computer science that deals with the development of intelligent computer systems that can mimic human behaviour and perform creative and intellectual functions.

**AR** — Augmented Reality.

**Autotelematics** — a set of devices that, using satellite communications, collects and transmits data on vehicle control and condition in real time.

**Big Data** — significant data sets produced in large information systems, which are analysed using special computer technologies and high computing power.

**Bullying** — harassment, aggressive behaviour, intentional negative actions directed at a particular person, provided that the forces or power of the participants are imbalanced.

**Cashback** — refunding part of the money spent on goods or services.

**CF** — charitable foundation.

**Chatbot** — a computer programme that simulates a dialogue with a person in accordance with a given scenario and allows interactive communication with digital devices.

**CII** — critical information infrastructure.

**CJM** — Customer Journey Map.

**Coaching** — a method of counselling and training in which a personal trainer (coach) supports and helps one in achieving their professional and personal goals.

**Compliance** — an element of the management/control system in the organisation, aimed at preventing the actions of the company's employees and contractors that are contrary to the law, as well as the implementation of corporate business ethics based on compliance with the letter of the law.

**Compliance control** — internal control over compliance of operations with legislation and internal corporate documents.

**Converged products** — an end-to-end digital solution that combines multiple products or services, such as satellite TV and mobile internet.

**Credit broker** — a financial market participant acting as an intermediary between the bank and the borrower.

**Data Science** — a set of disciplines from various areas responsible for analysing data in digital form and finding optimal solutions based on them. **Data Scientist** — a professional in this area.

**DDoS attack** (a distributed denial-of-service attack) — a way to make a website unavailable by overwhelming it with massive amounts of traffic exceeding the network bandwidth.

**DE&I** — Diversity, Equity & Inclusion.

**DPC** — Data Processing Centre, a complex of server and network equipment, disk storage and technical solutions connected to a data transmission network and designed for automation and smooth operation of business processes.

**Ecosystem** — a network of companies created around a single platform, a set of products and services to meet all types of user needs.

**EDM** — Electronic Document Management.

**EDM System** — Electronic Document Management System. System of electronic legally significant document management between organisations.

**Engagement** — the emotional and intellectual state of an employee in which he or she is committed to doing his or her best work and wants to contribute to sustainable development.

**eNPS** — Employee Net Promoter Score.

**ESG** — sustainable development of business based on the principles of a responsible attitude to the environment (E), social responsibility (S), and high-quality corporate governance (G).

**Factoring** — a range of financial services for manufacturers and suppliers trading on a deferred payment basis.

**FinTech, financial technologies** — provision of financial services using innovative technologies.

**Fixed telephony** — telephone connection between telephone users via wired connections.

**Geoanalytics** — collection and processing of a large amount of information about the population, the density of its distribution over a given territory, as well as pedestrian and transport zones, the presence of commercial facilities and other parameters that may affect business performance.

**GHG** — greenhouse gases.

**GITIS** — Russian Institute of Theatre Arts.

**Green technologies** – technologies with production processes and supply chains that are environmentally friendly or less harmful than conventional production methods.

**GRI** – Global Reporting Initiative.

**HR** – Human Resources. Specialised function aimed at management of hired labour – search, hiring, and adaptation of personnel.

**IGA SSO** – Identity Governance and Administration, Single Sign-On.

**Inclusion** – involving socially vulnerable segments of the population, including people with disabilities and older age groups, into social processes.

**IoT** – Internet of Things, data transmission network between physical objects connected to the Internet and equipped with built-in tools and technologies for interacting with each other or with the external environment.

**IP** – Intellectual Property.

**IPCC** – the Intergovernmental Panel on Climate Change.

**IS** – Information Security.

**IT** – Information Technologies.

**KION** – a Russian multimedia online platform developed by MTS.

**LED** – Light-Emitting Diode.

**LLC** – Limited Liability Company.

**Local community** – one or more individuals or legal entities and their associations that have an interest in a particular area in a particular territory of the Company's operations.

**LTE** – a high-speed data transmission standard for mobile phones and other data terminals.

**MDC** – Modular Data Centre.

**Moscow Region** – a common name for Moscow and Moscow Oblast, which, while formally being different constituent entities of the Russian Federation, are in many ways similar socially and economically. Cloud technologies – a complex of IT technologies that make it possible to store and process information on remote servers on the Internet.

**MSW** – municipal solid waste.

**NB-IoT** – Narrow Band Internet of Things. A cellular communication standard designed for IoT devices with low data traffic.

**NDA** – Non-Disclosure Agreement.

**NPO** – Non-Profit Organisation.

**NPS** (net promoter score) – index of the customer's willingness to recommend MTS to their friends and acquaintances.

**OSMS** – Occupational Safety Management System.

**PC** – Personal Computer.

**PJSC** – Public Joint Stock Company.

**POS-credit** – Point of Sales credit. A type of consumer loan issued directly at retail outlets.

**PR** – Public Relations. External communications management.

**Push notifications** – pop-up notifications appearing on the phone screen to notify users about updates, news, promotions, etc.

**QA** – Quality Assurance.

**Quiz** – intellectual game, team competition for logic, quick wit, and ingenuity.

**Refurbishment** – transfer of equipment for restoration, modernisation, maintenance or minor repairs in order to use it further.

**Retailer** – a retail chain for selling products or services to end consumers.

**RES** – Renewable Energy Sources.

**SASB** – Sustainability Accounting Standards Board.

**Scoring** – technology for assessing potential borrowers and making a decision on issuing a loan product.

**SDG, Sustainable Development Goals** – a set of 17 interrelated goals developed in 2015 by the UN General Assembly.

**Smart Home** – an automated control system for engineering systems at home using electronic and electro-mechanical devices.

**SME** – small and medium-sized enterprises

**SOC** – Security Operations Centre.

**Social bonds** – financial instrument to raise funds for the implementation of socially significant projects.

**Startup** – a recently launched project, company, or business with a short operating history.

**Targeted advertising** – online advertising, which uses search customisation methods in accordance with the given parameters of the interests and characteristics of a specific target audience.

**Telematics** – collecting and transmitting wirelessly data from a device in real time.

**Trade-in** – a service for the acceptance of an old device and offsetting part of its cost when buying a new one.

**Venture fund** – a fund that invests assets in enterprises or projects at the initial stage of their establishment.

**VHI** – voluntary health insurance.

**Voice bot** – artificial intelligence-based software capable of making automatic calls and processing incoming calls, recognising human speech and acting in accordance with the interlocutor's remarks.

**VR** – Virtual Reality.

**WCAG** – (Web Content Accessibility Guidelines) - international standard approved by ISO/IEC 40500:2012.

# List of regulatory documents

## Business and ESG agenda management

- [Business Strategy of MTS Group CLV 2.0](#)
- [ESG Strategy](#)
- [Strategy for Sustainable Development and Corporate Social Responsibility up to 2025](#)
- [Enterprise Risk Management Policy](#)

## Social responsibility

- [Certificate of Compliance with International Quality Standard ISO 9001:2015](#)
- [Certificate of Compliance of the Quality Management Systems of MTS PJSC with GOST R ISO 9001 — 2015](#)
- [Quality and Customer Experience Management Policy](#)
- Social responsibility strategies of MTS PJSC in the territories of presence
- Policy 'MTS Activities in the Field of Charity'
- Policy 'MTS Activities in the Field of Corporate Social Responsibility'
- Regulations on the Process of Planning, Initiating, and Implementing Charitable Projects/Programmes
- Regulations on the Process of Organising and Implementing Indirect Advertising and Sponsorship Projects
- MTS Group Strategy in the Field of Health, Safety, and Well-Being for 2021–2023
- [Policy on Diversity, Equality, and Inclusion](#)
- Policy 'Occupational Health and Safety Management System'
- OHSAS 18001:2007 Certificate of Conformity
- [ISO 45001:2018 Certificate of Conformity](#)
- Standard 'Requirements for Investigation of Industrial Accidents'
- Standard 'Requirements for Organisation and Conduct of Preliminary and Periodic Medical Examinations'

## Environmental responsibility

- [Policy 'Ecological Safety and Environmental Protection at Administrative Facilities'](#)

## Responsible governance

### Business ethics and compliance

- [Code of Business Conduct and Ethics](#)
- MTS PJSC Compliance Policy
- [Policy 'Compliance with Anti-Corruption Legislation'](#)
- [Policy 'Managing the Conflict of Interest'](#)
- [Policy 'Managing the Conflict of Interest'. Annex 1](#)
- [Policy 'Managing the Conflict of Interest'. Annex 2](#)
- [Policy 'Managing the Conflict of Interest'. Annex 3](#)
- [MTS PJSC Antimonopoly Policy](#)
- [MTS Procurement Rules](#)
- [Counterparty Code of Business Conduct](#)
- [Gifts and Business Hospitality Policy](#)
- [Memo on Gifts and Business Hospitality](#)
- ISO 37301:2021 Certificate of Conformity
- ISO 37001:2016 Certificate of Conformity
- [Certificate of Accession to the Anti-Corruption Charter of the Russian Business](#)
- Policy 'On Combating the Misuse of Insider Information and Market Manipulation'
- Regulations on the Principles and Procedures Regarding the Prevention of Transactions Using MTS Insider Information
- Policy 'Intellectual Property Management at MTS Group'

## Interaction with shareholders and investors

- [Shareholder Interaction Policy Governing Government Relations Activity, Initiation of Business and Business Operations](#)
- [Regulations on the Dividend Policy of MTS PJSC](#)
- [Regulations on the General Meeting of Shareholders of MTS PJSC](#)
- [Regulations on Provision of Information to the Shareholders of MTS PJSC](#)

## MTS Group corporate governance

- [MTS PJSC Charter](#)
- [Regulations on the General Meeting of Shareholders of MTS PJSC](#)
- [Regulations on the Board of Directors of MTS PJSC](#)
- [Regulations on the Management Board of MTS PJSC](#)
- [Regulations on the President of MTS PJSC](#)
- [Regulations on Remunerations and Compensations Payable to the Members of the Board of Directors of MTS PJSC](#)
- [Regulations on the Audit Committee](#)
- [Regulations on the Remuneration and Nomination Committee](#)
- [Regulations on the Corporate Governance, Environmental and Social Responsibility Committee](#)
- [Regulations on the Strategy Committee](#)
- [Regulations on the Auditing Commission of MTS PJSC](#)
- [Regulations on the Information Policy of PJSC MTS](#)
- [Regulations on the Corporate Governance Department of MTS PJSC](#)
- [Tax Risk and Asset Management Regulation](#)
- [MTS PJSC Registration Certificates](#)
- [Regulation on the System of Internal Control](#)
- [Policy on Internal Control and Audit](#)
- Standard 'Methodology for Testing and Certification of the Internal Control System in Accordance with Sarbanes-Oxley Act Sections 302 and 404'
- Methodology for developing an effective internal control system for the purposes of compliance with the requirements of the Sarbanes-Oxley Act, art. 302, 404 Standard

## Information security and personal data protection

- MTS PJSC Functional Strategy to Ensure Comprehensive Security
- MTS Group Information Security Policy
- Policy 'Requirements to Ensure the Information Security at MTS PJSC'
- Information Security Concept of RTK JSC
- Regulations on the Information Security (Confidentiality) Procedures of MTS PJSC
- Regulations on the Information Security (Confidentiality) Procedures of RTK JSC
- Regulation on Management of Physical Storage Media Constituting a Trade Secret and Other Confidential Information of MTS PJSC
- [Non-Disclosure Agreement Template](#)
- Standard 'Requirements to Ensure the Site Security'
- [ISO 27000:2013 Certificate of Conformity](#)
- Policy 'Ensuring Personal Data Security at MTS PJSC'
- [Policy 'Processing of Personal Data at MTS PJSC'](#)
- Protocol of Determining the Level of Protection of Personal Data Processed in Personal Data Information Systems of MTS PJSC
- Order to Appoint Data Processing and Protection Officers at MTS PJSC

# ESG Dashboard

## Social responsibility

MTS Group expenses for charity and social investments, **million roubles**

Indicator	2019	2020	2021	2022
Expenses for charity and social investments	859.3	910.3	627.0	603.5

Results of MTS Group networks development in 2022

Indicator	Unit	2019	2020	2021	2022
Voice traffic of MTS networks	mln min	363	375	357	326
Mobile traffic					
• 2G	PB	20	19	14	13
• 3G	PB	1,434	1,383	1,370	1,242
• 4G	PB	3,461	5,741	6,783	8,310
Penetration of mobile internet users	% of monthly active users	63	65	66	68

Customers' requests by channel, **%**

### Mobile business

Indicator	2019	2020	2021	2022
Call centre	79.7	61.9	52.9	53.7
Retail outlet (stores)	14.7	28.4	37.6	31.7
Chat	5.5	9.7	9.5	14.6

### Landline business

Indicator	2019	2020	2021	2022
Call centre	85.2	83.5	81.5	80.2
Retail outlet (stores)	14.2	14.6	15.4	15.3
Chat	0.6	1.9	3.2	4.5



**MTS Fintech**

Indicator	2019	2020	2021	2022
Call centre	81.6	75.7	52.7	52.1
Retail outlet (offices)	17.8	14.3	10.8	6.3
Chat	0.6	10.0	36.6	41.7

**Assessment of the customer satisfaction level, %**

**Mobile business**

Indicator	2020	2021	2022
Call centre	54.3	55.7	60.2
Retail outlet (stores)	67.0	74.8	71.8
Chat	20.7	26.3	40.0

**Landline business**

Indicator	2020	2021	2022
Call centre	43.8	45.8	51.0
Retail outlet (stores)	24.2	28.6	23.2
Chat	33.9	30.8	39.4

**MTS Media**

Indicator	2019	2020	2021	2022
Call centre	91.1	77.2	79.8	80.6
Retail outlet (stores)	8.6	22.2	17.9	13.6
Chat	0.3	0.6	2.4	5.7

**MTS Fintech**

Indicator	2020	2021	2022
Call centre	47.4	53.5	51.8
Retail outlet (offices)	55.3	67.3	70.7
Chat	69.0	46.0	56.4

**MTS Media**

Indicator	2020	2021	2022
Call centre	60.7	61.5	61.9
Retail outlet (stores)	62.2	67.1	63.5

## Responsibility to employees

### Average headcount of MTS Group, people

GRI 2-7

Indicator	2019	2020	2021	2022
Average headcount of MTS Group	64,223	60,594	58,804	59,910

### Actual headcount of MTS Group, people

GRI 2-7 GRI 405-1

Indicator	2021 <sup>1</sup>	2022 <sup>2</sup>
<b>Total</b>	<b>57,463</b>	<b>60,772</b>
<b>by gender</b>		
• Men	31,229	33,267
• Women	26,234	27,505
<b>by age</b>		
• < 30 years old	19,537	19,457
• 30–50 years old	33,018	35,185
• > 50 years old	4,908	6,130

<sup>1</sup> Some values for 2021 have been clarified due to the update in the calculation methodology.

<sup>2</sup> Data on the actual number of employees for 2022 and 2021 are data on the economically active number of employees at the end of the reporting period and do not include data on workers who are not employees (interns, employees on maternity leave, part-time workers).

Indicator	2021 <sup>1</sup>	2022 <sup>2</sup>
-----------	-------------------	-------------------

#### by employee category

• Senior managers	54	61
• Middle managers	1,499	1,792
• Junior managers and specialists	55,910	58,919

#### by region

• Moscow	21,877	18,174
• Regions of the Russian Federation, including the Moscow region	37,757	39,053
• Foreign countries	1,138	3,367

#### by length of service

• < 1 year	17,193	16,764
• 1–3 years	12,132	16,226
• 3–5 years	6,183	6,192
• 5–10 years	10,520	9,562
• > 10 years	11,435	12,028

### MTS Group personnel structure by contract type and gender, people

GRI 2-7

Indicator	2019	2020	2021	2022
Permanent employment contract, including	59,099	55,475	54,231	57,773
• Men	31,802	29,782	29,736	31,805
• Women	27,297	25,693	24,495	25,968
Fixed-term employment contract, including	5,124	5,119	3,232	2,999
• Men	1,903	2,026	1,493	1,462
• Women	3,221	3,093	1,739	1,537
Full-time employment contract, including	63,499	59,121	54,231	57,773
• Men	33,516	32,383	29,736	31,805
• Women	29,983	26,738	24,495	25,968
Part-time employment contract, including	374	1,473	3,232	2,999
• Men	185	712	1,493	1,462
• Women	189	761	1,739	1,537

### Number of workers who are not employees of MTS Group, persons

GRI 2-8

Indicator	2019	2020	2021	2022
Total	6,191	8,497	5,563	3,842

<sup>1</sup> Statistics for 2019 by gender and age are given for major MTS Group companies.

### Number of new employees of MTS Group by category<sup>1</sup>, people

GRI 202-2 GRI 401-1

Indicator	2019	2020	2021	2022
<b>Total</b>	<b>27,662</b>	<b>26,245</b>	<b>30,342</b>	<b>28,413</b>
<b>by employee category</b>				
• Senior managers	13	34	17	25
• Middle managers	102	114	262	211
• Junior managers	365	1,296	1,193	1,638
• Including managers of all levels hired from the local community	—	55	54	61
Specialists	26,877	24,499	28,870	26,539
• Of these, young specialists	306	302	132	557
<b>by gender</b>				
• Men	7,095	13,650	16,048	15,308
• Women	5,442	12,595	14,294	13,105
<b>by age</b>				
• < 30 years old	6,180	18,806	20,007	19,380
• 30–50 years old	5,893	6,980	9,912	8,601
• > 50 years old	464	459	423	432

### Share of highly qualified specialists in the total headcount, %

Indicator	2020	2021	2022
Total	11.46	15.82	16.38

### Employee turnover in MTS Group<sup>1</sup>, %

GRI 401-1

Indicator	2019	2020	2021	2022
Overall employee turnover	4.3	2.5	23.0	17.8

### Average monthly salary in MTS Group<sup>2</sup>, roubles

GRI 405-2

Indicator	2021	2022
<b>Middle managers, including</b>		
• Men	317,186	322,581
• Women	302,128	289,745
<b>Junior managers, including</b>		
• Men	91,913	109,752
• Women	61,278	62,623
<b>Specialists, including:</b>		
• Men	71,750	84,833
• Women	50,512	56,481

### Total personnel costs for MTS Group, billion roubles

Indicator	2019	2020	2021	2022
Payroll expenses, including	71.61	69.64	76.99	91.27
• Salaries	40.34	40.25	42.92	51.07
• Additional payments and rewards	17.08	15.50	19.50	23.78
• Insurance contributions	14.19	13.89	14.57	16.42
• Expenses on providing employees with social guarantees	0.25	0.19	0.30	0.34
• Occupational safety expenses	0.19	0.15	0.18	0.17
Voluntary medical insurance (VMI)	0.66	0.79	0.89	0.94

### Percentage of employees receiving regular performance and career development reviews<sup>3</sup>, %

GRI 404-3

Indicator	2021	2022
<b>Employees who have undergone a formal performance assessment, total</b>	<b>58</b>	<b>51</b>
• MTS Telecom	88	64
• MTS Fintech	0	0
• MTS Retail	0	4
• MTS Media	16	42
• Other subsidiaries	51	43

<sup>1</sup> The data are shown without employees of retail outlets and Customer Service Centres, as these segments have a high turnover rate typical for their type of activity, which may distort the consolidated data.  
<sup>2</sup> Data on the indicators have been collected since 2021.  
<sup>3</sup> Data on the indicators have been collected since 2021.

**Parental leave<sup>1</sup>, people**

GRI 401-3

Indicator	2021	2022
Number of employees entitled to parental leave, including	8,780	9,846
Men	1,258	1,716
Women	7,522	8,130
Number of employees on leave, including	6,953	7,422
Men	737	649
Women	6,216	6,773
Number of employees who returned to work after their parental leave, including	1,278	2,436
Men	68	63
Women	1,210	2,373

**Percentage of workers covered by an occupational health and safety management system<sup>2</sup>, %**

GRI 403-8

Indicator	2019	2020	2021	2022
Number of employees covered by the OSMS	100	100	100	100

<sup>1</sup> Data on the indicators have been collected since 2021.

<sup>2</sup> Disclosure of information about the employees who are covered by the internally and externally audited and certified OSMS is not relevant for the Group in 2022.

**Information on the results of the special assessment of working conditions**

GRI 403-2

Division	Class of working conditions	2019	2020	2021	2022
MTS Group	1 – optimal				5,319
	2 – acceptable	29,687	28,279	30,814	29,787
	3.1 – hazardous				127
Incl. MTS PJSC	1 – optimal				114
	2 – acceptable	24,987	24,556	23,885	23,843
	3.1 – hazardous				46

### Number of workers trained in occupational health and safety, people

GRI 403-5

Indicator	2019	2020	2021	2022
<b>Total for the Group</b>	<b>45,632</b>	<b>47,188</b>	<b>53,398</b>	<b>57,624</b>
incl. MTS PJSC	19,606	17,816	17,478	26,571

### MTS Group expenses on occupational safety measures and additional medical insurance, million roubles

GRI 403-2 GRI 403-6

Indicator	2019	2020	2021	2022
OHS costs	189.4	152.2	178.3	167.4 <sup>1</sup>
Additional medical insurance costs	658.0	793.4	888.9	943.0

<sup>1</sup> In 2022, OHS costs for the Group decreased slightly due to the completion of projects aimed at combating Covid-19.

<sup>2</sup> The data for 2021 are provided excluding the data on MTS Belarus and Armenia. Information about injuries is disclosed for all employees of the Group. Injury statistics are not collected for the Group's contractors.

<sup>3</sup> All work-related injuries that required medical treatment, including micro-injuries, are included. Accounting for micro-injuries started in 2022. The data for 2021 are consistent with the data on the number of lost time injuries.

<sup>4</sup> All cases of work-related lost time injuries are included.

<sup>5</sup> Accident frequency rate (FR) determines the number of accidents per 1,000 employees during the reporting period.

<sup>6</sup> Accident severity rate (SR) determines the number of days of incapacity per injury.

<sup>7</sup> Information about the LTIFR coefficient indicator in 2022 is disclosed only for MGTS PJSC. In the future, it is planned to expand the coverage perimeter according to these indicators to other enterprises of the Group.

<sup>8</sup> Information on the TRIFR coefficient indicator in 2022 is disclosed only for MGTS PJSC. In the future, it is planned to expand the coverage perimeter according to these indicators to other enterprises of the Group.

<sup>9</sup> Information on the number of hours worked in 2022 is disclosed only by MGTS PJSC. In the future, it is planned to expand the coverage perimeter according to these indicators to other enterprises of the Group.

### Group employees' injury rates

GRI 403-9

Indicator	Unit	2021	2022
<b>MTS Group injury rates<sup>2</sup></b>			
Number of work-related fatalities	units	1	0
Rate of work-related fatalities		—	0
Number of severe work-related injuries	units	1	1
Number of work-related injuries <sup>3</sup>	units	24	25
Number of lost time injuries <sup>4</sup>	units	24	16
<b>MTS PJSC injury rates</b>			
Accident Frequency Rate (AFR) <sup>5</sup>	-	0.25	0.20
Accident Severity Rate (ASR) <sup>6</sup>	-	30.40	29.00
<b>MGTS PJSC injury rates</b>			
Accident Frequency Rate (AFR)	-	0.36	0.19
Severe injury rate related to the group of companies' operations	-	not calculated until 2022	0.02
Lost time injury frequency rate (LTIFR <sup>7</sup> )	-	not calculated until 2022	0.02
Total recordable injury frequency rate (TRIFR <sup>8</sup> )	-	not calculated until 2022	0.08
Total number of working hours (man-hours <sup>9</sup> )	man-hour	9,948,274	9,836,785

Indicator	Unit	2021	2022
<b>MTS Retail injury rate</b>			
Accident Frequency Rate (AFR)	–	0.80	0.62
Accident Severity Rate (ASR)	–	23.0	15.40
<b>MTS Fintech injury rate</b>			
Accident Frequency Rate (AFR)	–	0.30	0.30
<b>MTS Digital injury rate</b>			
Accident Frequency Rate (AFR)	–	0.00	0.00
Accident Severity Rate (ASR)	–	0.00	0.00

**Occupational diseases among the Group employees, number**

GRI 403-10

Indicator	2019	2020	2021	2022
Number of fatalities caused by occupational diseases	0	0	0	0
Number of registered cases of occupational diseases	0	0	0	0

**Number of MTS Group employees working remotely, %**

Indicator	2020	2021	2022
MTS employees in Moscow	89.30	75.60	75.60
MTS employees in Russia	59.30	41.60	46.10
Employees covered by flexible forms of employment (combination of remote and office work)	19.23	23.50	25.00

**Training time, hours**

GRI 404-1

Indicator	2020	2021	2022
<b>Total number of training hours<sup>1</sup></b>	<b>528,904</b>	<b>847,258</b>	<b>1,049,520</b>
<b>Senior managers, including</b>			
• Men	2,364	43,218	24,936
• Women	1,244	19,345	19,216
<b>Middle managers, including</b>			
• Men	7,228	102,118	46,665
• Women	2,677	41,911	35,959
<b>Junior managers, including</b>			
• Men	40,153	73,890	100,830
• Women	36,897	41,510	77,695

Indicator	2020	2021	2022
<b>Specialists, including:</b>			
• Men	211,276	369,128	420,331
• Women	227,065	156,139	323,888
<b>Average annual number of training hours per employee<sup>2</sup></b>	<b>12.5</b>	<b>14.5</b>	<b>17.5</b>
<b>by category</b>			
• Senior managers	31	1,159	724
• Middle managers	8	96	47
• Junior managers	20	17	45
• Specialists	8	11	14
<b>by gender</b>			
• Men	8	19	18
• Women	9	10	17

<sup>1</sup> The Company's internal methodology for calculating the indicator, according to which the duration of the course is 30 minutes.

<sup>2</sup> In 2020, the Company began migration to the new proprietary HR software. The indicator is presented as a three-year trend, comparison with 2019 data is inappropriate.



**Number of MTS Group employees trained, people**

GRI 404-1

Indicator	2019	2020	2021	2022
Offline external training, including	9,611	6,326	4,768	3,382
• Senior managers	60	136	120	31
• Middle managers	635	308	332	211
• Junior managers	1,839	813	734	542
• Specialists	7,077	5,069	3,582	2,598
Offline internal training, including	38,771	19,745	3,803	4,007
• Senior managers	18	36	36	15
• Middle managers	440	205	282	218
• Junior managers	7,266	3,366	489	372
• Specialists	30,987	16,138	2,996	3,402
Distance learning, including	82,400	63,806	44,145	59,377
• Senior managers	47	529	210	73
• Middle managers	1,317	808	763	1,535
• Junior managers	13,230	8,526	5,564	3,090
• Specialists	67,806	53,943	37,608	54,679

**Number of training man-courses per year, man-courses**

GRI 404-1

Indicator	2019	2020	2021	2022
<b>Total</b>	<b>2,690,109</b>	<b>1,449,155</b>	<b>616,475</b>	<b>1,165,820</b>
• Offline external training	14,140	8,636	3,907	16,458
• Offline internal training	97,802	43,438	11,696	8,976
• Distance learning	2,578,167	1,397,081	600,872	1,140,386

**Results of employee training on the Corporate University platform**

Indicator	Unit	2019	2020	2021	2022
Number of courses taken on the Corporate University platform	units	242,540	273,084	289,097	725,609
Number of online training courses	units	N/A	550	1,011	356
Number of man hours spent on online training courses	man-hour	N/A	23,262	34,870	16,370
Distance learning coverage (unique users who completed at least one course)	%	76.0	90.0	99.5	98.0
Percentage of users involved who completed more than three courses	%	31.0	62.0	99.5	83.0
Online Learning Net Promoter Score (NPS)	%	N/A	74	76	86

Expenses for training MTS Group employees, million roubles

Indicator	2019	2020	2021	2022
Total	174.55	100.27	105.77	210.00

Personnel satisfaction, involvement and loyalty for MTS Group, %

Indicator	2019	2020	2021	2022
Level of personnel satisfaction	74.7	78.7	88.7	92.4
Level of personnel involvement	85.7	87.2	92.0	93.0
Level of personnel loyalty	67.2	72.0	81.3	87.7

Number of employees with disabilities in MTS Group, people

GRI 405-1

Indicator	2019	2020	2021	2022
Total	277	279	269	279
Men	151	137	145	165
Women	126	142	124	114

Number of employees covered by collective agreements in MTS Group, people

GRI 2-30

Indicator	2020	2021	2022
Total	10,203	8,136	7,810

## Environmental responsibility

### Investments and expenses for environmental protection, million roubles

Indicator	2019	2020	2021	2022
<b>MTS Group investments and expenses<sup>1</sup></b>				
Total investments and expenses for environmental protection	34.77	33.36	51.56	54.68
<b>MTS PJSC investments and expenses for environmental protection</b>				
Payments for negative environmental impact	0.41	0.42	0.34	0.34
Preparation of environmental documentation (development of projects, stocktaking, receipt of permits for accounting and reporting)	3.75	4.83	6.32	6.82
Removal of municipal solid waste to a landfill	9.75	13.79	25.2	20.7
Disposal of lamps containing mercury	0.20	0.24	0.21	0.01
Cartridge recycling	0.0003	—	—	—
Disposal of computer and IT equipment	0.01	—	0.07	—
Battery disposal	0.01	0.02	0.025	N/A
Installation of automatic systems for regulating the level of energy consumption (motion sensors, etc.)	0.02	0.73	—	—

Indicator	2019	2020	2021	2022
Installation of renewable energy sources	N/A	0.83	1.66	—
Conducting supervisory certification audits of environmental management systems, internal corporate and external environmental and environmental education activities	0.06	—	—	8.35
Training of employees as part of the implementation of environmental management systems (certification according to international and Russian standards)	0.15	—	—	0.05
Purchase of energy-saving and energy-efficient equipment (including LED equipment, equipment to optimise engineering systems, etc.)	—	—	—	4.89
Other	0.06	—	—	—
<b>Total</b>	<b>14.44</b>	<b>20.91</b>	<b>33.83</b>	<b>41.16</b>

<sup>1</sup> Data for 2019–2022 are provided for MTS PJSC and MGTS PJSC.

### Energy consumption in MTS Group<sup>1</sup>

GRI 302-1

Indicator	Unit	MTS PJSC				MTS Group
		2019	2020	2021	2022	2022
Electric power	million kWh	1,358.07	1,829.23	1,793.20	1,875.82	2,247.55
Thermal power	Gcal	50,076.05	46,699.83	51,917.65	52,089.40	175,087.53
<b>Fuel consumption, incl.</b>						
petrol	thousand litres	4,026.77	3,056.82	3,014.66	2,859.12	3,603.33
natural gas <sup>2</sup>	thousand m <sup>3</sup>	535.10	1,233.85	1,297.82	1,729.82	2,474.25
diesel fuel	thousand litres	3,388.34	2,282.87	3,114.62	3,572.30	4,375.83

### Energy intensity in MTS Group<sup>3</sup>, GJ/person

GRI 302-3

Indicator	MTS PJSC				MTS Group
	2019	2020	2021	2022	2022
Energy intensity in MTS Group per number of employees	84	115	118	255	181

### Volume of energy resources<sup>4</sup> used by MTS Group, GJ<sup>5</sup>

GRI 302-1<sup>6</sup> TC-IM-130a.1

Indicator	MTS PJSC				MTS Group
	2019	2020	2019	2022	2022
<b>Total energy consumption</b>	<b>5,246,439</b>	<b>6,909,018</b>	<b>6,805,932</b>	<b>7,110,417</b>	<b>9,166,839</b>
including from non-renewable sources					
Petrol	131,881.72	100,114.65	98,733.86	93,639.77	118,013.60
Natural gas	17,705.61	40,826.11	42,942.63	57,236.82	81,868.70
Diesel fuel	119,512.50	80,520.70	109,857.93	126,001.19	154,342.91
Diesel generator	N/A	12,755.23	8,744.86	11,629.93	11,629.93
from renewable sources	N/A	46.60	85.40	171.11	618.37
Purchased electric power	4,887,072.00	6,572,426.17	6,446,689.74	6,741,153.59	8,078,938.85
Purchased heat power	209,658.41	195,522.85	217,368.82	218,087.88	733,056.45

<sup>1</sup> The indicated volumes do not include data on some MTS subsidiaries as well as data on leased facilities, with the exception of base stations in the Moscow region, for which a fairly accurate calculation of energy consumption can be made.

<sup>2</sup> The value of 2021 for natural gas consumption has been adjusted due to the new calculation method.

<sup>3</sup> Calculated based on the total consumption of all energy resources.

<sup>4</sup> The Company does not sell electricity to third party customers.

<sup>5</sup> Conversion factors: 1,000 kWh = 3.60 GJ, 1 Gcal = 4.1868 GJ, 1 tonne of petroleum fuel = 43.66 GJ, 1 thousand m<sup>3</sup> of natural gas = 0.3 GJ; 1 tonne of diesel fuel = 42.49 GJ, on the basis of Order No. 371 of the Ministry of Natural Resources and the Environment of the Russian Federation dated 27 May 2022 and Directive No. 15-r of the Ministry of Natural Resources of the Russian Federation and average fuel density (1 tonne of petrol = 1,370 litres, 1 tonne of diesel fuel = 1,300 litres). Fuel conversion coefficients from litres to tonnes of automobile gasoline – 0.000750, diesel fuel – 0.000830 on the basis of Order No. 866 'On Approval of Instructions for Filling out the Federal Statistical Observation Form No. 4-TER 'Information on the use of fuel and energy resources'.

<sup>6</sup> These data do not include data on some MTS subsidiaries as well as data on leased facilities, with the exception of base stations in the Moscow Region, for which a fairly accurate calculation of energy consumption can be made.

**Energy saving as a result of measures to increase energy efficiency at MTS PJSC, kWh**

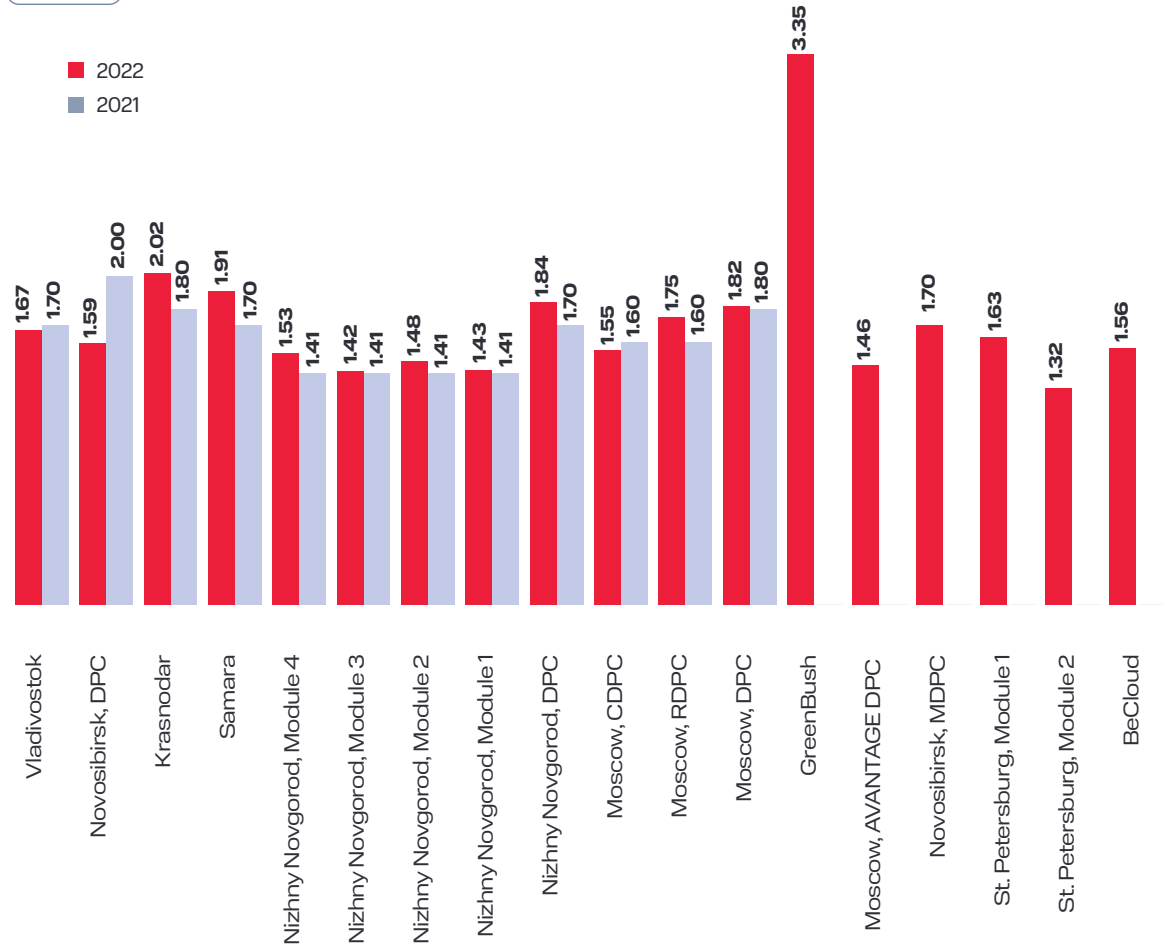
GRI 302-4

Energy efficiency improvement measure	2020		2021		2022		2023 <sup>1</sup>
	Plan	Actual	Plan	Actual	Plan	Actual	Plan
Use of energy-saving lamps	10,000	10,830	10,000	11,822	10,000	20,205	10,000
Use of LED lighting	600,000	697,451	300,000	377,161	300,000	528,074	300,000
Turning off ventilation and air conditioning after working hours	2,000,000	2,323,057	700,000	754,813	700,000	1,212,766	700,000
Turning off lighting in engineering premises after working hours	300,000	337,850	300,000	338,218	300,000	267,261	250,000
Inspection and switching off idle equipment	1,000,000	1,054,919	500,000	567,111	500,000	1,049,669	500,000
Optimisation of air conditioning	700,000	786,392	750,000	918,340	750,000	1,699,705	750,000
Other measures	1,500,000	1,709,662	1,200,000	1,296,236	1,440,000	1,020,326	1,000,000
<b>Total</b>	<b>6,110,000</b>	<b>6,920,161</b>	<b>3,760,000</b>	<b>4,263,701</b>	<b>4,000,000</b>	<b>5,798,006</b>	<b>3,510,000</b>

<sup>1</sup> As a result of implementing large-scale energy-saving measures and introducing energy-efficient technologies, the planned effect will be reducing from year to year.

**PUE of MTS Group data centres**

TC-IM-130a.1



**Water withdrawal by MTS Group<sup>1</sup>, thousand m<sup>3</sup>**

GRI 303-3 TC-IM-130a.2 TC-SI-130a.2

Indicator	MTS PJSC				MTS Group
	2019	2020	2021	2022	2022
From natural sources	0.12	0.25	0.52	3.39	21.15
Bottled drinking water	45.32	2.34	1.83	2.29	3.22
From water utility systems	243.44	193.95	207.44	187.69	291.68
<b>Total</b>	<b>288.88</b>	<b>196.54</b>	<b>209.79</b>	<b>193.36</b>	<b>316.05</b>

**Water consumption and water discharge by MTS Group<sup>1</sup>, thousand m<sup>3</sup>**

GRI 303-4 GRI 303-5 TC-IM-130a.2 TC-SI-130a.2

Indicator	MTS PJSC				MTS Group
	2019	2020	2021	2022	2022
Water consumption	0	24.54	0	8.46	1.17
Water discharge into surface water bodies	—	—	—	—	21.47
Wastewater discharge into municipal sewage systems	288.88	172.0	209.79	184.90	314.88

**GHG emissions intensity (Scope 1) for MTS Group, t CO<sub>2</sub>e/person**

GRI 305-4

Indicator	2021	2022
<b>GHG emissions intensity (Scope 1) for MTS Group based on the average number of employees</b>	<b>0.70</b>	<b>0.74</b>

**Total volume of waste generated by MTS Group<sup>1</sup>, tonne**

GRI 306-3

Indicator	MTS PJSC				MTS Group
	2019	2020	2021	2022	2022
<b>Total volume of waste generated</b>	<b>20,623.20</b>	<b>13,168.04</b>	<b>6,091.92</b>	<b>5,357.66</b>	<b>14,797.31</b>
I hazard class	—	—	1.78	0.32	—
II hazard class	—	—	0.62	0.525	—
III hazard class	—	—	2.12	3.735	—
IV hazard class	—	—	5,296.84	4,256.63	—
V hazard class	—	—	790.55	1,096.45	—

**Volume of hazardous wastes in MTS Group<sup>1</sup> by method of treatment<sup>2</sup>, tonne**

GRI 306-4 GRI 306-5

Indicator	MTS PJSC		MTS Group
	2021	2022	2022
Disposal	1.24	0.26	7,257.49
Recycling	0.10	0.31	0.31
Neutralisation	3.15	3.95	13.18
Landfilling	0.03	0.06	0.06

<sup>1</sup> Due to the peculiarities of collecting information and difficulties in obtaining data from landlords in these volumes, data on some subsidiaries of the Group and objects located on leased areas are not taken into account.

<sup>2</sup> The Company sends waste to third parties for subsequent management.

**Volume of non-hazardous wastes in MTS Group<sup>1</sup> by method of management<sup>2</sup>, tonne**

GRI 306-4 GRI 306-5

Indicator	MTS PJSC		MTS Group
	2021	2022	2022
Disposal	92.19	45.62	1,097.74
Recycling	57.92	41.25	59.49
Neutralisation	25.21	86.61	133.82
Landfilling	5,760.99	5,179.56	6,235.22

**Volume of GHG emissions for MTS Group<sup>3</sup>, t CO<sub>2</sub>e**

GRI 305-1 GRI 305-2 GRI 305-3

Indicator	2019	2020	2021	2022
<b>Total</b>	<b>907,750.0</b>	<b>1,224,467.1</b>	<b>1,172,647.8</b>	<b>1,481,492</b>
Direct (Scope 1) emissions	25,612.2	32,380.5	41,355.3	44,533.0
Indirect (heat energy consumption, Scope 2) emissions	33,291.7	49,439.9	52,719.1	53,153.0
Indirect (electricity consumption — regional method, Scope 2) emissions	486,299.3	621,711.0	580,125.6	613,129.0
Other indirect (Scope 3) emissions	362,546.8	520,935.7	498,447.8	770,676.0

<sup>1</sup> Due to the peculiarities of collecting information and difficulties in obtaining data from landlords in these volumes, data on some subsidiaries of the Group and objects located on leased areas are not taken into account.

<sup>2</sup> The Company sends waste to third parties for subsequent management.

<sup>3</sup> Data for 2019 have been recalculated in accordance with the IPCC coefficients.

<sup>4</sup> In 2022, the Group sold its 100% interest in the subsidiary NVision Czech Republic a.s., which resulted in its sale and operations being presented net in profit/loss on discontinued operations for the years 2020, 2021 and 2022, respectively. MTS Group financial indicators for 2019 in respect of the results of this subsidiary were not adjusted.

<sup>5</sup> Net of proceeds from sharing agreements.

<sup>6</sup> Total dividends paid include dividends accrued on quasi-treasury shares held by MTS PJSC subsidiaries.

<sup>7</sup> Including special dividends paid in Q1 of 2020 in the amount of 13.25 roubles per ordinary share (26.5 billion roubles in total).

<sup>8</sup> Dividend payments in the amount of 48.2 billion roubles were completed by 16 August 2022.

**Responsible governance**

**Financial results of MTS Group, billion roubles**

Indicator	2020	2021	2022 <sup>4</sup>
Revenue	489.8	527.9	541.7
Adjusted OIBDA	214.8	229.0	224.3
Capital expenditures (CAPEX) <sup>5</sup>	96.9	111.0	111.2

**Dividends paid by MTS PJSC**

Indicator	Unit	2019	2020	2021	2022
Dividends paid, per ordinary share	roubles	28.7	42.8	37.1	33.9
Dividends paid <sup>6</sup> , total	billion roubles	57.3	85.4 <sup>7</sup>	74.1	66.3 <sup>8</sup>

**Revenue +2.6%:** the Group's revenue increased due to contributions from the telecom, fintech and media businesses, but its growth was limited due to reduced sales of phones and accessories as a result of import restrictions.

**OIBDA –2.0%:** In 2022, the Group's OIBDA decreased slightly due to an increase in personnel costs and investments in new lines of business, however the contribution of the telecom, media and fintech businesses became a positive driver.

**Capital expenditures:** we continue to maintain a high level of investments in the network and digital infrastructure and new areas.

**Number of MTS Group employees trained in anti-corruption procedures, people**

GRI 205-2

Indicator	2019	2020	2021	2022
Total	54,355	28,487	50,089	63,051
Senior managers	36	146	76	154
Middle managers	826	296	1,320	1,031
Junior managers	4,165	2,619	5,814	3,785
Specialists	49,328	25,426	42,879	58,081

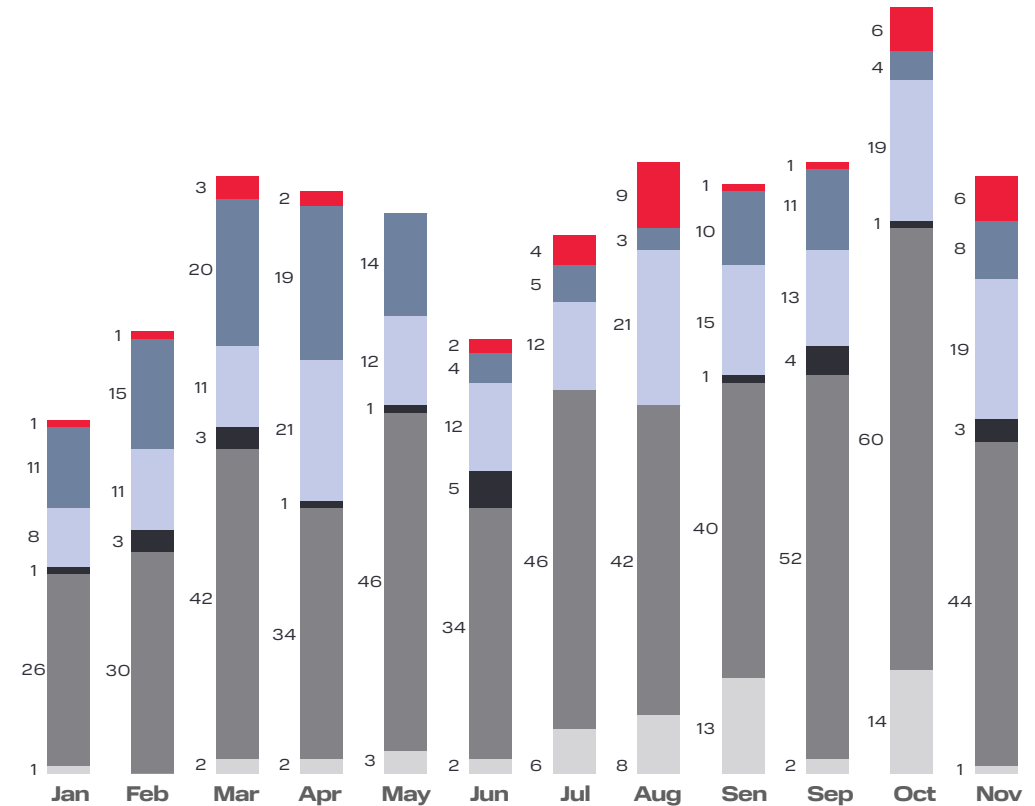
**Number of MTS Group employees who completed updated MTS e-learning courses, people**

Indicator	2019	2020	2021	2022
Course on the Code of Business Conduct and Ethics	14,000	10,000	26,703 <sup>1</sup>	13,397
Anti-Corruption Compliance Course	12,000	13,000	20,131	30,972

<sup>1</sup> The mandatory Course on the Code of Business Conduct and Ethics was updated and assigned to all employees in 2021. In 2022, the course was to be attended only by new employees.

**Number of calls to the Unified Hotline over 12 months of 2022**

- Security issues
- Compliance with legal requirements
- Ethics and compliance
- Procurement
- HR
- Other corporate issues





### Instances of non-compliance with advertising laws and regulations<sup>1</sup>

GRI 2-27

Indicator	2019	2020	2021	2022
Number of improvement notices received	0	0	3	5

### Number and subjects of calls received by the MTS Group Unified Hotline<sup>2</sup>, %

Indicator	Unit	2019	2020	2021	2022
Total, including:	units	1,621	1,819	1,295	907
Security issues	%	1.7	1.6	2.0	4.0
Proposals for the supply of products, provision of services, performance of work	%	15.3	17.2	—	—
Compliance with legal requirements	%	10.2	9.3	19.0	14.0
Ethics and compliance	%	6.1	6.4	11.0	19.0
Quality of service and utilities	%	19.2	13.8	7.0	—
Procurement	%	9.7	6.9	2.0	3.0
HR	%	23.9	28.8	51.0	55.0
Other corporate issues	%	13.9	15.9	7.0	6.0

### MTS Group's income tax paid (reimbursed), thousand roubles

GRI 207-4

Indicator	2020	2021	2022
Russia	14,365,928	16,967,371	10,797,995
Armenia	475,274	576,661	336,952
Belarus	8,560	8,651	13,030
Special purpose vehicles (SPVs) overseas	343,249	-58,724 <sup>3</sup>	174,706
<b>Total</b>	<b>15,193,011</b>	<b>17,493,959</b>	<b>11,254,683</b>

### Tax payments to the Russian Federation budgets for MTS Group<sup>4</sup>, million roubles

Indicator	2020	2021	2022
Federal budget	47,184	45,911	53,016
Regional budget	14,216	15,180	11,622
Local budget	45	43	47
<b>Total</b>	<b>61,445</b>	<b>61,134</b>	<b>64,685</b>

### Financial assistance from the government received by MTS Group, million roubles

Indicator	2021	2022
Amount of financial assistance from the government	199.6	386.2

<sup>1</sup> For MTS PJSC. Only those court cases are included where MTS was held liable with a negative result for MTS. Those cases where MTS officials were held liable and where MTS was a third party are not included.

<sup>2</sup> Starting from 2021, calls in the category 'Proposals for the supply of products, provision of services, performance of work' and 'Quality of service and utilities' are not subject to the Unified Hotline process and are referred to functional divisions for substantive consideration.

<sup>3</sup> Amount of tax reimbursed by the tax office.

<sup>4</sup> Excluding personal income tax and contributions to the Social Insurance Fund, including direct taxes and VAT.

**Total purchases by MTS Group<sup>1</sup> and MTS PJSC, billion roubles**

Indicator	2019	2020	2021	2022
MTS Group	214	228	253	191
MTS PJSC	107	142	139	146

**MTS Group procurement structure by product categories, %**

GRI 2-6

Indicator	2019	2020	2021	2022
Equipment	52	61	32.8	30.8
Subscriber equipment	2	4	35.6	11.8
Services	13	14	12.5	15.6
Commerce and marketing	15	10	7.1	19.4
IT	17	11	12.0	22.2

**Share of local suppliers in purchases by business area, %**

GRI 204-1

Indicator	2019	2020	2021	2022
MTS Russia	80.7	84.8	97.3	98.4
MGTS	98.9	99.1	97.8	99.6
Retail network	99.0	99.9	97.6	99.8
Subsidiaries	91.0	93.0	94.9	98.2

<sup>1</sup> The decrease in MTS Group's total purchases in 2022 was due to the exit of many major partners from the Russian market.

<sup>2</sup> The published historical data differs from that provided in previous Reports due to changes in the calculation method. The calculation for 2022 includes non-centralised purchases.

**Share of medium and small entrepreneurs in MTS Group's purchases, %**

Indicator	2020	2021	2022
MTS Russia	51.3	54.3	57.3
MGTS <sup>2</sup>	55.5	58.3	59.9
Retail network	78.4	81.7	83.7
Subsidiaries*	61.6	54.4	43.5
Grand total	51.4	53.7	55.9

**Composition of the ESG Committee, people**

Indicator	2019	2020	2021	2022
Independent directors	2	1	3	3
Non-executive directors	2	1	1	1
Executive directors	1	1	0	0
Management representatives / shareholder representatives	2	3	4	3

# Table of Company Initiatives' Compliance with the UN SDGs and Russian National Goals

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
<b>1 No Poverty</b>			
1.1 Reduction of men, women and children of all ages living in poverty	3. Comfortable and safe living environment	Community investment, cooperation with NGOs and charity foundations	603.5 million roubles — MTS Group's community investment in 2022 In 2022, MTS held over 5,000 social events attended by about 20 million people
		Rendering assistance to local communities	MTS collected food and creative packages for the poor and first-grade kits for large families as part of the To School with MTS, Christmas Trees for Children, and Just Give Kindness projects, with 3,000 volunteers participating in the programme MTS rendered assistance in acquiring sports and tourist equipment and outfit for clubs from the Moscow region and Russian regions MTS equipped tourist clubs and rescuers with smart trackers as part of the online monitoring programme in the areas of Company's operations
		Projects to support the older generation	More than 100 volunteers contributed to the Silver Heart project to support the elderly, including veterans of communications and labour
1.2 Ensuring that all men and women, in particular the poor and the vulnerable, have equal access to economic resources and basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance		Enhancement of LTE networks	More than 12,000 4G base stations were put into operation, LTE base stations grew by 11% MTS mobile communication services are available to 98% of Russians and to over 99% of the population of Armenia and Belarus
		Discounted mortgage programmes	MTS Fintech continued providing government-backed and family mortgages Launch of a new mortgage lending programme for IT specialists on preferential terms

**SDG Targets**

**2030 Russian National Goals**

**Projects**

**2022 Deliverables**

**2 Zero Hunger**

2.1 Ensuring access by all people, in particular the poor and people in vulnerable situations, to safe, nutritious and sufficient food all year round

1. Population conservation, health and well-being

MTS Fintech services

5% cashback when paying with bank cards with MTS Premium subscription in supermarkets

**3 Good Health and Well-Being**

3.4 Reduction by one third premature mortality from non-communicable diseases through prevention and treatment and promotion of mental health and well-being

1. Population conservation, health and well-being

Voluntary health insurance programme

943 million roubles — MTS Group's VMI expenses (up 6% year-on-year)

Checkups and other corporate programmes to support employee health and mental state

9,867 MTS Group employees took pre-employment and recurrent health screenings (up 52% year-on-year)

Over 57,000 employees received external and internal occupational safety training

25% of employees use a hybrid working pattern to maintain the right work-life balance and reduce the overall morbidity rate across the Company

Over 1,300 employees took part in webinars and mental practices of the Balance area of the MTS Sports Programme

Generation M educational project

The project enabled MTS to raise over 23 million roubles for charity treatment of 82 seriously ill children

Donor Day volunteer campaign

In 2022, volunteers collected more than 450 litres of blood

Support for the MTS Running Hearts Charity Run

The Company upheld the MTS Running Hearts Charity Run in support of Konstantin Khabenskiy's Charity Foundation that renders rehabilitation assistance to patients with brain and spinal cord tumours

Service to automate doctors' operations based on the MTS Coordinator

The app automates the logistics of doctors' visits and load (up 33% in connections) and operates in 9 Russian cities

#InternetNoBullying — mental support project for kids

MTS in Belarus jointly with the United Nations Children's Fund (UNICEF) implements the #InternetNoBullying project to promote a hotline for kids and teenagers and online mental counselling at kids.pomogut.by

Workplace Bullying research

Companies from 27 sectors took part in the survey focused on discrimination in the workplace

Mental self-support project

In 2022, MTS granted free access to the Beffo app for mental self-support. The app is available for download to all users

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
3.d Strengthening the capacity for early warning, risk reduction and management of health risks		Special project on mental support for children and parents	A series of webinars for children and parents on online behaviour was launched with communications reaching 11.8 million people
		Free medical checkups for MTS Live customers	MTS and MEDSI Group launched free medical MEDSI Health Units for visitors of MTS Live entertainment events and theatre performances
		Implementation of MTS Group's safety, health and well-being strategy based on the Vision Zero concept of zero injuries	167.4 million roubles — MTS Group's occupational health expenses
		On the Move corporate programme	Around 4,500 people were enrolled in the programme in 2022 (up from over 2,000 in 2021)
		Healthy lifestyle support programmes for employees	The Company upheld the MTS Running Hearts Charity Run in support of Konstantin Khabenskiy's Charity Foundation that renders rehabilitation assistance to patients with brain and spinal cord tumours. Several thousand participants, including ecosystem employees, took to the start line
		Be Healthy with MTS is a corporate project held jointly with MEDSI. It encompasses off-site lectures, seminars, webinars, and workshops for the Group employees. It also offers a wide range of educational and information programmes and materials to raise awareness of disease prevention and health promotion	
		MTS athletes took part in the #ZaLes charity race and ran distances as part of the Moscow Half Marathon	
		MTS Fintech continued to enhance a running community with weekly employee workouts. In 2023, the vertical intends to launch yoga trainings and daily workplace exercise sessions. On top of that, a sports promotion specialist is expected to join the team	
		More than 700 MTS Group employees took part in corporate-wide Spartakiads as participants and fans	
		In 2022, MTS for the first time held a large-scale sports Race of Champions event, attended by over 800 people from 76 Russian regions	
<b>4 Quality Education</b>			
4.1 Free, equitable and quality primary and secondary education	2. Opportunities for self-accomplishment and talent development	Generation M educational project	32 million views of educational courses since the project launch (up 2 million vs 2021), involving 67,000 kids in project competitions
		My Country SvyaziYa federal educational project	More than 4,000 participants from 30 Russian regions took part in a new MTS career guidance project

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
<p>4.3 Equal access to affordable and quality technical, vocational and tertiary education, including university</p>		<p>Launch of in-house educational programmes for digital leadership development</p>	<p>Two MTS.Theta external programmes for developers and data analysts continued</p>
		<p>IT training cooperation with higher education institutions</p>	<p>Over 20 additional training programmes for students</p>
<p>4.4 Increase in the number of individuals who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>		<p>Cultural and media training cooperation with higher education institutions</p>	<p>Ten GITIS students receive MTS scholarships</p> <p>Jointly with the Generation M project, workshops were organised for regional graduates as part of entrance exams to creative universities</p>
		<p>Employee education and practical training at the MTS Corporate University</p>	<p>MTS.Theta project advancement: 12 corporate training programmes were expanded, with a total coverage of 542 employees</p>
			<p>The Corporate University's portfolio covers more than 1,000 e-learning courses in 22 fields of study</p>
			<p>The number of completed courses grew 2.7-fold, up to 726,000, vs 2021, driven by an increased number of users and elaboration of new courses</p>
			<p>The number of educational courses almost doubled in a year to 1.17 million</p>
		<p>MTS corporate library</p>	<p>In 2022, the number of corporate library users exceeded 13,000, and the number of reading hours is consistently above 30,000. All books are available in desktop and app versions</p>
		<p>MTS Intro internship programme</p>	<p>571 students completed internships (+23%), of which over 25% became Company employees</p>
		<p>Moove — continuing education programme for students</p>	<p>In 2022, 1,028 applications were received (up 51% vs 2021), of which 42 students were enrolled into the 4th wave of the programme. A total of 175 recent graduates completed the programme over 4 years</p>
<p>My Start with #Fintech internship programme</p>	<p>179 interns (up 10% vs 2021) participated in the programme, of which 73% were employed</p>		
<p>Programme of MTS Fintech cooperation with higher educational institutions</p>	<p>In 2022, MTS Fintech was extensively involved in cooperation with universities — 11 educational institutions are enrolled in the programme that enables to acquire the best students for practical training and internship</p>		

**SDG Targets**

**2030 Russian National Goals**

**Projects**

**2022 Deliverables**

4.5 Elimination of gender disparities in education and ensuring equal access to all levels of education and vocational training for the vulnerable

We Know Personally interactive business support project

As part of the project, SMEs may be advised on legal and marketing issues. Online maps of local businesses covered by the project continued to develop in 42 cities in eight Russian federal districts

In the project's communication channels, MTS posts educational and useful content for business creation and development, with the coverage of about 4.5 million users

In the project's online communities and social media, businessmen may be involved in networking to share experiences. The total audience exceeds 35,000 users

Free webinars and workshops to support SMEs

MTS holds monthly online webinars for SMEs on business development. Their number increased by 15% compared to the previous period

MTS.Media educational platform

More than 25 million views of educational materials on the website and the same-name Dzen channel

A series of the Group's online and offline educational initiatives on digital literacy and digital devices

In 2022, the total reach of activities in digital communication channels was 77 million users

Teaching the older generation in digital literacy

Advancement of the #TeachYourFamily free online school for the older generation in Belarus. 10 online classes of 1.5 hours each are available on the platform

Training programmes for people with disabilities

Over 100 people completed the course launched by MTS AI in partnership with the Netology project and NtechLab to teach people with autism spectrum disorders and other disabilities in data annotation.

In six regions, the Path to Career competition was arranged jointly with the Regional Public Organisation of Disabled People Perspektiva for recent graduates with disabilities, including in the IT sector. The competition involved more than 300 young people

Career guidance tours for kids from children's social institutions

15 tours were held in 7 Russian regions, within MTS employees acting as mentors for children from orphanages

**SDG Targets**

4.7 Ensuring that all learners acquire the knowledge and skills needed to promote sustainable development, including through education

**2030 Russian National Goals**

**Projects**

**2022 Deliverables**

MTS Terra environmental education project

The MTS Terra project was launched to involved 2,000 employees. They attended 6 training webinars and completed 557 training assignments

For Children about the Planet

A new lesson titled 'What is an ecological footprint and how digital technologies help reduce it' was launched. Over 100 lessons have been held across Russia since the project start

Environmental education programmes at MTS Group

MTS Fintech held three webinars on the environmental agenda. A lecture and a game were organised for employee children on the topics of ecology, climate change, and environmental behaviour

An environmental section appeared on Telegram. It covers weekly posts, activities, and eco-stickers available to all Group employees on the Pulse portal

Bookcrossing units have been set up in MTS offices

Master's degree programme titled 'Marketing: Digital Technologies and Marketing Communications'

An industry-specific project was arranged for students to discuss and search for solutions using real ESG business cases as examples

MTS Fintech's financial literacy awareness-raising and educational initiatives

Advancement of MTS Fintech's Financial Literacy for Everyone! project. In 2022, a total of over 400 attendants took part in MTS Fintech's online and offline activities

Corporate volunteer theatre

In 2022, the initiative celebrated its 10th anniversary. It involves over 150 Company employees. The MTS theatre repertoire includes 18 educational performances for audiences of different ages

Over 50 shows and 175,000 spectators annually

Among others, theatre performances are held in orphanages, rehabilitation centres, hospitals, nursing homes, and other social institutions

MTS annually organises Puppet FEST — a festival of MTS volunteer theatres. In 2022, it gathered over 900 spectators offline and almost 20,000 spectators online from all over Russia



**SDG Targets**

**2030 Russian National Goals**

**Projects**

**2022 Deliverables**

**5 Gender Equality**

5.5 Women’s full and effective participation and equal opportunities for leadership

4. Decent, efficient labour and successful entrepreneurship

Women’s participation in Company’s management

25% — share of women on the Board of Directors; 28% mid-level managers are women

Entrepreneurial Culture and Tools — a course for women on maternity leave and people aged 50 and over

The training period is 4 weeks. All participants received certificates of 170-hour advanced training

Lady 007 Business Accelerator project

Implementation of an educational course and support programme for female entrepreneurs in Russian regions

MTS is a Company for Everyone programme

An annual assessment is carried out to verify the observance of human rights, diversity, equality and inclusion principles across all Group divisions

In-depth interviews were conducted among employees with special needs, whose findings were considered in HR operations

In 2022, MTS Group employed 114 women with disabilities

**7 Affordable and Clean Energy**

7.1 Universal access to affordable, reliable and modern energy services

3. Comfortable and safe living environment

Energy efficiency improvement programme for MTS facilities

5,798,006 kWh — electricity savings (up 45% vs the target and up 36% vs 2021)

Data centre energy efficiency management

The use of adiabatic cooling system in MTS data centres enables to reduce electricity up to 30%

7.2 Increase in the share of renewable energy in the global energy mix

Use of renewable energy sources

Electricity consumption from renewable sources totalled 171.8 thousand kWh

SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

**8 Decent Work and Economic Growth**

8.3 Promotion of development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation. Encouraging the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services

4. Decent, efficient labour and successful entrepreneurship

We Know Personally business and small entrepreneurship support programme

New entrepreneurial communities were set up in Kazan and Yekaterinburg under the mentorship of the MTS We Know Personally programme. On top of that, online maps of local businesses continued advancing in 42 cities in eight Russian federal districts, with over 5,000 entrepreneurs marked thereon

MTS AI accelerator programme

The first accelerator programme was launched, with 12 startups from 10 countries as its graduates

In total, MTS AI accelerator programmes were completed by 36 startups and raised USD 9 million as investment in 2022

Investment in startups and innovations

Investment in MTA technology innovations increased 1.6-fold vs 2021

9 companies in the MTS StartUp Hub corporate venture fund portfolio. In 2022, MTS StartUp Hub invested in three digital companies.

Financial products for SMEs

MTS Fintech offers a range of partner products and services for small business customers, with 9 new solutions introduced in 2022

Launch of the Business Without Borders solution offering discounted tariffs on various transactions for settlement FX accounts

8.5 Employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Hiring employees of various categories

+25% — share of employees aged 45+ across MTS Group vs 2019

279 employees with disabilities employed by the Group in 2022

There is a 5-fold increase in the ease of employment score at MTS for job applicants with disabilities compared to 2021

Support for the Path to Career volunteer project organised by the Regional Public Organisation of Disabled People Perspektiva

More than 300 young people took part in the 2022 competition. The finalists were offered an MTS internship

MTS Day project

Around 40,000 job applicants of all categories, including people with disabilities, recent graduates and people over 50, participated

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
8.8 Protection of labour rights and promotion of safe and secure working environments	3. Comfortable and safe living environment 4. Decent, efficient labour and successful entrepreneurship	Assessment of working conditions	A special assessment of working conditions was carried out at 35,233 workplaces
		Respect for Human Rights in the Workplace compliance programme	An educational Human Rights in the Workplace course was launched for all employees to attend
		Handling employee submissions	In 2022, 1,066 submissions on labour relations were filed via formal grievance channels (up 19.2% vs 2021). It is a reflection of our successful efforts to promote open dialogue principles. All submissions were dealt with
8.9 Sustainable tourism that creates jobs and promotes local culture and products	3. Comfortable and safe living environment 5. Digitalisation	Using Big Data to assess the tourism potential	Over 40 regions benefit from MTS expertise in analysing tourist flows
		Enhancement of communications on federal roads	In 2022, 11 2G/LTE base stations were built along the A-113 route of the Central Ring Road. The main sections of the motorway are covered by MTS networks
		Advancement of communication at tourist sites	In 2022, free online guides for Russian regions appeared on the MTS Travel platform MTS developed a smart GPS tracker and provided such devices to tourist group leaders and rescuers, including on the Mount Elbrus and Kolyma nature trails
		Urban Legends project	64 audio guides were created in 42 regions of Russia, of which 7 were launched in 2022, including in Sochi, Kaluga, Sergiyev Posad, Yekaterinburg, and other cities
		Cultural Code project	In 2022, 24 projects to digitise cultural and historical heritage sites were delivered. In 2022, the project covered 58 regions. Project activities were arranged by 35,000 people, including volunteers
		MTS Travel service	About 20,000 accommodation facilities are connected to the service

SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

9 Industry, Innovation and Infrastructure

9.1 Quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all

5. Digitalisation

Contribution to the implementation of regional projects

Programmes to improve the quality of communications, create new coverage of communication networks in small and remote settlements and on public highways, and to incorporate smart services: environmental monitoring, urban lighting, housing and utilities, etc.

Contribution to discussing the digital economy development

MTS is a member of the working group of the Competence Centre for Creating Regulatory Conditions for the Development of Ecosystems of the RSPP Commission on Communications and Information and Communication Technologies (exploring issues of regulating digital platforms and the telecoms market)

Advancement of networks in the regions of operations

Over 96% Russians and 99% of the population of Armenia and Belarus have access to MTS mobile communication services

Up 5.3% in a broadband access base

133 cities in Russia, including Moscow and the Moscow Region, are covered by the 1Gb network

In 2019–2022, 486 2G/LTE base stations were built along railway routes on popular destinations.

The enhancement of networks in the underground of Russian cities, including Kazan, Novosibirsk, and Krasnoyarsk, continued. In Moscow alone, the data transmission speed in tunnels increased by 76%.

Digital solutions for the development of territories of presence

MTS has developed and continues integrating a range of smart services: MTS IoT Digital Water Utility solution is used at municipal enterprises of more than 30 regions

The Smart Click alarm button based on the NB-IoT network connection is used in educational institutions and by the Public Safety Answering Point (112) service in 20 regions

The MTS platform for finding commercial losses in power grids based on Big Data algorithms and geoanalytics is used in more than 10 regions

Celsius, an integrated IoT solution for online monitoring of indoor microclimate, is used in museums, archives, and drug storage areas

Digital economy development solutions

MTS continues advancing its digital solutions for a number of sectors: In 2022, a rise in the number of customers of the targeted advertising services was 73%, and the number of digital campaigns launched grew by 115%

Major projects were implemented in the Lipetsk, Belgorod, Murmansk Regions, and in the Republic of Karelia to install dedicated LTE networks for enterprises to optimise industrial operations and improve industrial safety

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
9.3 Access of small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and market	4. Decent, efficient labour and successful entrepreneurship	MTS Fintech products for SMEs	283.5 million roubles — granted under reduced-rate lending programmes
9.5 Enhancement of scientific research, upgrading the technological capabilities, including by encouraging innovation	5. Digitalisation	Cooperation with universities to enhance IT educational programmes	Development of joint educational projects and master's degree programmes with major Russian universities: The course on backend development of microservices was attended by 28 students
			109 students completed a course on filtering systems development
			In 2022, the Fintech.Academy opened its first enrolment for free Java developer and QA engineer courses — out of 1,570 applications, a total of 75 people were enrolled for two courses
		Metaverse technology accelerator	MTS AI organised an executive workshop on metaverses
9.c Increased access to information and communications technology and provision of universal and affordable access to the Internet		Advancement of a network infrastructure in the regions of operations	111.2 billion roubles — MTS CAPEX in 2022 (up 1.8% vs 2021)
			12,000 4G base stations were put into operation
			More than 20 Private LTE base stations were launched in 2022
<b>10 Reduced Inequalities</b>			
10.1 Income growth of the bottom population	1. Population conservation, health and well-being	Technologies for Life section of the MTS Media educational platform	Publication of informational materials on benefits and payments for various population categories and recommendations on how to save money: socially-oriented materials collected 4 million views (up 18% vs 2021)
		Educational articles on the MTS Media platform	25 million views (up 47% vs 2021)
		MTS Fintech's financial literacy training	In 2022, over 400 people attended educational activities

SDG Targets	2030 Russian National Goals	Projects	2022 Deliverables
10.2 Promotion of the social, economic and political inclusion of all, irrespective of age, sex, disability, etc.	3 Comfortable and safe living environment	Enhancement of MTS offices accessibility for mobility impaired individuals	208 retail outlets were equipped with ramps, and 56 — with special help buttons
		Creating accessible content for all	MTS has adapted for hearing impaired viewers and translated into the Russian sign language over 50 episodes of the Prostokvashino animated series and a number of New Year cartoons. In addition, it launched a special inclusive family selection titled 'Films in the Russian Sign Language' on the KION online cinema platform
			A video guide in the Russian sign language was launched for the Russian Museum's exhibition titled 'Home and Family. Pictures of Peaceful Life'
			MTS presented the museums with 20 tactile 3D models of museum items of the Chekhov Fund in Taganrog for visually impaired visitors
10.c Reduction in the transaction costs of migrant remittances	1. Population conservation, health and well-being	MTS Fintech services	Cashback under the MTS Cashback programme for transfers abroad
			Expansion of the commission-free money transfer programme to CIS countries and Georgia, with transfers to 22 countries available in early 2023
<b>11 Sustainable Cities and Communities</b>			
11.2 Safe, affordable, accessible and sustainable transport systems	3. Comfortable and safe living environment	Enhancement of mobile communications at transport infrastructure facilities	The work to install and upgrade underground connections (+1 city vs 2021) was organised in 5 Russian cities
			In 2019–2022, 486 2G/LTE base stations were built along railway routes
11.7 Access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities		Power Place project	In 2022, 24 socially useful digital products were created (VR films, audio guides, digitised content, AR-aided educational materials) for national parks, wildlife areas, and other national territories. Such content was used by over 600 thousand people from 16 Russian regions

SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

**12 Responsible Consumption and Production**

12.5 Reduced waste generation through prevention, reduction, recycling and reuse	3. Comfortable and safe living environment	Life Cycle Laboratory integrated ecosystem project	Over 7,700 tonnes of recyclables (vs 177 tonnes for 2020 and 2021 in total), 131 tonnes of waste paper, 1.5 tonnes of used power supply elements and batteries, 1,100 kg of phones and over 45,000 kg of other small electronic equipment were recycled
	3. Comfortable and safe living environment 5. Digitalisation	Electronic document management system	The electronic document management system covers 93% of internal HR document flow, 100% of MTS procurement procedures, and 100% of secure storage warehouses
	3. Comfortable and safe living environment	SuperWave project	About 290,000 pieces of customer equipment were recovered under the SuperWave programme for reuse, up 25% year-on-year
		Refurbishment programme	350,000 units of machinery were directed for maintenance, with a recovery rate of more than 80%
		Future without Plastic initiative	8.8 tonnes of plastic saved by issuing virtual bank cards
		Kind Caps initiative	Employees collected 280 kg (up 10 kg) of plastic caps under the Kind Caps campaign
	12.6 Sustainable practices and integration of sustainability information into the reporting cycle	Annual disclosure of non-financial information	The 15th Sustainability Report 2022 was published
In 2022, disclosures on the CDP platform continued			
12.8 Ensuring that people have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Environmental education activities	The reach of educational and awareness-raising content on the environmental agenda exceeded two million views in online and offline formats	
		Urban Legends project	64 audio guides were created in 42 regions of Russia, of which 7 were launched in 2022
12.b Development and implementation of tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products			

SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

13 Climate Action

13.1 Strengthening resilience and adaptive capacity to climate-related hazards and natural disasters

3. Comfortable and safe living environment

IoT to deal with environmental issues

MTS offers a spectrum of solutions to reduce the carbon footprint. These include autonomous air quality monitoring stations and solutions based on auto-telematics. Their deployment within a factory fleet or logistics centre decreases the machinery idle time up to 10% and, thus, reduces CO2 emissions

IoT solutions for the transport and logistics sector that reduce the carbon footprint

Application of the Access Control and Management E2E solution enables to cut CO<sub>2</sub> emissions by 18%

Carbon management and climate risk assessment programme

Implementation of the ESG strategy, including the Company's carbon management programmes

Development of a strategy for managing GHG emissions and achieving carbon footprint reduction targets that factors in the Company's IT specifics

Participation in the GSMA working group and in developing the GSMA strategy paper on circular economy for network equipment and GSMA Scope 3 guidance

13.3 Education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Environmental education programmes

The reach of educational and awareness-raising content on the environmental agenda exceeded 8.5 million people in online and offline formats

In total, as part of the environmental educational For Children about the Planet programme, MTS volunteers conducted over 1,000 environmental lessons across Russia, while the environmental online content for kids and adolescents was viewed by more than 3 million users



SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

15 Life on Land

15.1 Conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems

3. Comfortable and safe living environment

Federal greenery planting campaign (compensatory planting)

The MTS Environmental Movement volunteers planted over 150 adult seedlings in five regions and over 4 thousand seedlings in two regions in partnership with Sistema Charitable Foundation and ECA Movement (vs 180 seedlings in five regions in 2021)

Participation of MTS environmental volunteers in clean-up days (subbotnik)

More than 1,000 employee volunteers with their relatives and friends in 20 regions took part in environmental campaigns. Over 20 tonnes of rubbish were removed

Sistema environmental clean-up day

In 2022, MTS took part in Sistema's environmental clean-up day. Volunteers painted 1.5 km of kerbs and 200 m of fence, collected 50 cubic metres of rubbish, planted and treated over 400 plants

Joint project with MyForest Armenia

20,000 trees were planted in the Lori region

Digital solutions and services to fight forest fires

MTS smart monitoring systems were installed in national parks, natural areas, and forestry departments in more than 20 Russian regions. They assist in promptly fighting forest fires

Digital solutions and services to combat desertification

MTS integrated smart solutions, the software and hardware complex accelerate the processing of data on the state of natural systems. It assists in handling environmental issues, including the desertification combat. They are primarily used in the southern regions of the country

16 Peace, Justice and Strong Institutions

16.5 Substantial reduction of corruption and bribery in all their forms

Anti-Corruption Compliance and Business Ethics programme

97% of employees are covered by compliance training

Over 450 'tone in the middle' activities were carried out at MTS PJSC (up 12.5% vs 2021), and over 2,100 activities — across the Group's subsidiaries (three times more than in 2021)

According to an internal survey, the level of compliance culture at MTS is above the international benchmark and the previous year level

The MTS Unified Hotline e-form is available in 21 languages

SDG Targets

2030 Russian National Goals

Projects

2022 Deliverables

**17 Partnerships for the Goals**

17.16 Partnership for Sustainable Development, complemented by multi-stakeholder partnerships

Membership in the GSM Association

Participation in drafting the GSMA ESG Metrics for Mobile document (+1 document vs 2021)  
Presentation of the Company's non-financial performance under 2022 Sustainability Report in accordance with GSMA metrics

Member of the national ESG Alliance

MTS representatives were included in 5 profile committees of the national ESG Alliance

17.17 Effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Partnership aimed at digitalisation and socio-economic development of Russian regions

In more than 40 regions, MTS is one of the key partners in socio-cultural cooperation  
MTS is extensively involved in connecting socially important facilities to the Internet across the territory of its presence

Optimisation of partner services

Over 30 million MTS users benefit from partner services thanks to our product integration

Services for non-residents

Cashback under loyalty programmes for transfers abroad  
Expansion of the commission-free money transfer programme to CIS countries and Georgia, with transfers to 22 countries available in early 2023

# GRI Index and indicator details

The information contained in this Report has been prepared by MTS Group with reference to GRI Standards for the period from 1 January 2022 to 31 December 2022.

GRI indicator	Indicator description	Report section	Comment
<b>Basic indicators of Russian Union of Industrialists and Entrepreneurs</b>			
<b>GRI 2. General disclosures</b>			
1. The organization and its reporting practices			
GRI 2-1	Organizational details	Methodology, p. 6 MTS digital ecosystem, p. 140	The headquarters of MTS PJSC is located in Moscow (Russian Federation).
GRI 2-2	Entities included in the organization's sustainability reporting	Methodology, p. 6	The list of legal entities included in the organisation's sustainability reporting is not disclosed due to changes in the applicable legislation for organisations — issuers of securities.
GRI 2-3	Reporting period, frequency and contact point	Methodology, p. 6 Contacts, p. 148	Sustainability Report for 2022 is published on 19 December 2023.
GRI 2-4	Restatements of information	Methodology, p. 6	Information on prior period adjustments is provided in the footnotes to the indicators.
GRI 2-5	External assurance	Methodology, p. 6 Assurance by an independent auditor, p. 150	In the reporting period, certain non-financial indicators were independently assured.

GRI indicator	Indicator description	Report section	Comment
<b>Basic indicators of Russian Union of Industrialists and Entrepreneurs</b>			
2. Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	Responsible supply chain, p. 111 MTS digital ecosystem, p. 140 Business model, p. 147 Appendix 'ESG Dashboard', p. 173	
GRI 2-7	Employees	3.11 Corporate culture, p. 54 Our team, p. 58 Appendix 'ESG Dashboard', p. 157, 158	The Company does not maintain statistics by region broken down by different categories of employees.
GRI 2-8	Workers who are not employees	Our team, p. 58 Appendix 'ESG Dashboard', p. 158	Employees who are not workers include interns, employees on maternity leave, part-time employees.
3. Governance			
GRI 2-9	Governance structure and composition	3.1.12 Sustainable development management, p. 121 Board of Directors Composition, <b>MTS PJSC Annual Report 2022</b> , p. 86	Information on gender composition and ESG Committee members from underrepresented social groups is not disclosed for the purpose of protection of personal data.
GRI 2-10	Nomination and selection of the highest governance body	Corporate Governance Section, <b>MTS PJSC Annual Report 2022</b> , p. 91	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
GRI 2-11	Chair of the highest governance body	Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 88	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable development management, p. 121	The Company's business units are responsible for collecting feedback from stakeholders as part of their interaction with them. Senior management considers the feedback received as part of the reviewing the performance of the business units for the reporting period.
GRI 2-13	Delegation of responsibility for managing impacts	Sustainable development management, p. 121	
GRI 2-14	Role of the highest governance body in sustainability reporting	Sustainable development management, p. 121	Sustainability reporting is reviewed by the Management Board, the ESG Committee and the Board of Directors of MTS Group.
GRI 2-15	Conflicts of interest	Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 129 Unified compliance system, p. 100	If a conflict of interests occurs, members of the Board of Directors are required to disclose detailed information to the Board of Directors and not participate in voting.
GRI 2-16	Communication of critical concerns	Unified compliance system, p. 102 Sustainable development management, p. 121	To report critical problems, the Company provides various feedback mechanisms, including Unified hotline, an internal corporate portal, meetings with management. There were no reports of critical concerns in the reporting period
GRI 2-17	Collective knowledge of the highest governance body	Responsible Governance, <a href="#">MTS PJSC Annual Report 2022</a> , p. 167	During the reporting period, trainings on the anti-corruption compliance system were conducted for members of the Board of Directors and its committees, members of the Management Board.

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 96	
GRI 2-19	Remuneration policies	Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 118	
GRI 2-20	Process to determine remuneration	Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 118	The amount of remuneration to members of the Board of Directors is determined in accordance with the Regulations on Remuneration and Compensation paid to Members of the Board of Directors of MTS PJSC, which is approved at the General Meeting of Shareholders.
GRI 2-21	Annual total compensation ratio		The indicator is not disclosed due to the sensitivity of the disclosed information and to protect personal information.
4. Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Top management statement, p. 3 MTS ESG strategy, p. 117	
GRI 2-23	Policy commitments	Diversity and equal opportunity, p. 74 MTS ESG strategy, p. 117	The Company's obligations regarding the observance of human rights are enshrined in the Company's internal documents: <a href="#">Policy on Diversity, Equality, and Inclusion</a> , <a href="#">Code of Business Conduct and Ethics</a> , <a href="#">Counterparty Code of Business Conduct</a> . The documents cover all employees and business partners and are brought to their attention. The principle of due diligence and the precautionary principle are not enshrined in the documents.

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
GRI 2-24	Embedding policy commitments	Unified compliance system, p. 99, 103 MTS ESG strategy, p. 117	
GRI 2-25	Processes to remediate negative impacts	Determination of material topics, p. 8 Unified compliance system, p. 102 Open Dialogue with Stakeholders, p. 107 ESG risk management, p. 124	
GRI 2-26	Mechanisms for seeking advice and raising concerns	Unified compliance system, p. 102	
GRI 2-27	Compliance with laws and regulations	Providing an accessible environment and services, p. 23 Environmentally-friendly digitalisation, p. 83 Unified compliance system, p. 100 Appendix 'ESG Dashboard', p. 172	Data on the amount of fines are not disclosed due to the sensitivity of the information.
GRI 2-28	Membership associations	3.3.5 Appendix 'Membership in associations and organisations', p. 138	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
5. Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Open dialogue with stakeholders, p. 107	
GRI 2-30	Collective bargaining agreements	3.1.4 Diversity and equal opportunity, p. 74 Appendix 'ESG Dashboard', p. 165	For employees not covered by collective agreements, working conditions are not determined on the basis of a collective agreement.
<b>GRI 3. MATERIAL TOPICS</b>			
GRI 3-1	Process to determine material topics	Determination of material topics, p. 8	The list of stakeholders among whom the materiality survey was conducted is presented in the Open Dialogue with Stakeholders section, on p. 107.
GRI 3-2	List of material topics	Determination of material topics, p. 8	
GRI 3-3	Management of material topics	Determination of material topics, p. 8 Providing an accessible environment and services, p. 20, 23 Environmentally-friendly digitalisation, p. 83 Carbon management, p. 92 Unified compliance system, p. 98 Digital security, p. 113	The management of material topics is also disclosed within each thematic section throughout the Report.
<b>MATERIAL TOPICS OF GRI STANDARDS</b>			
GRI 201. ECONOMIC PERFORMANCE (2016)			
GRI 201-1	Direct economic value generated and distributed	1.2 1.3 1.4 1.6 1.7	Consolidated financial statements of MTS PJSC and subsidiaries

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Carbon management, p. 92	
GRI 201-3	Defined benefit plan obligations and other retirement plans	1.8	In 2022, MTS Group did not incur pension expenses.
GRI 201-4	Financial assistance received from government		In the reporting period, MTS Group received tax benefits in the amount of 386.2 million roubles from the government.
<b>GRI 202. MARKET PRESENCE (2016)</b>			
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our Team, p. 61	
GRI 202-2	Proportion of senior management hired from the local community	Our Team, p. 59 Appendix 'ESG Dashboard', p. 158	
<b>GRI 203. INDIRECT ECONOMIC IMPACTS (2016)</b>			
GRI 203-1	Infrastructure investments and services supported	Support for digital development of communities, p. 37, 42	
GRI 203-2	Significant indirect economic impacts	Support for digital development of communities, p. 37, 42	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
<b>GRI 204. PROCUREMENT PRACTICES (2016)</b>			
GRI 204-1	Proportion of spending on local suppliers	Responsible supply chain, p. 111 Appendix 'ESG Dashboard', p. 173	
<b>GRI 205. ANTI-CORRUPTION (2016)</b>			
GRI 205-1	Operations assessed for risks related to corruption	Unified compliance system, p. 99	
GRI 205-2	Communication and training about anti-corruption policies and procedure	Unified compliance system, p. 103, 104 Appendix 'ESG Dashboard', p. 171	
GRI 205-3	Confirmed incidents of corruption and actions taken	Unified compliance system, p. 99	
<b>GRI 206. ANTI-COMPETITIVE BEHAVIOR (2016)</b>			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There were no violations of anti-monopoly laws in 2022.
<b>GRI 207. TAX (2019)</b>			
GRI 207-1	Approach to tax	Tax management, p. 106	
GRI 207-2	Tax governance, control, and risk management	Tax management, p. 106	

Basic indicators of Russian Union of Industrialists and Entrepreneurs

GRI indicator	Indicator description		Report section	Comment
GRI 207-3	Stakeholder engagement and management of concerns related to tax		Tax management, p. 106	
GRI 207-4	Country-by-country reporting	1.3	Tax management, p. 106 Appendix 'ESG Dashboard', p. 172	
<b>GRI 302. ENERGY (2016)</b>				
GRI 302-1	Energy consumption within the organization	2.2	Responsible use of resources, p. 86 Appendix 'ESG Dashboard', p. 167	The Company does not purchase cooling and steam, nor does it sell thermal and fuel and energy resources.
GRI 302-2	Energy consumption outside of the organization			Energy consumption outside the organisation is irrelevant for the Company from the point of view of disclosure according to GRI requirements.
GRI 302-3	Energy intensity		Appendix 'ESG Dashboard', p. 167	Calculation of energy consumption outside the organization is irrelevant for the Company.
GRI 302-4	Reduction of energy consumption		Increasing energy efficiency, p. 86 Appendix 'ESG Dashboard', p. 168	The reduction in energy consumption is calculated only for electricity according to the Company's internal calculation methodology.
GRI 302-5	Reductions in energy requirements of products and services			Considering the nature of the Company's activities and the services provided, it is irrelevant to reduce the energy demand for the production of products and the provision of services.
<b>GRI 303. WATER AND EFFLUENTS (2018)</b>				
GRI 303-1	Interactions with water as a shared resource		Responsible use of resources, p. 91	Considering the nature of the Company's activities, risk assessment and goal setting related to the use of water resources are irrelevant for the Company. The Company does not operate in areas with water stress.

Basic indicators of Russian Union of Industrialists and Entrepreneurs

GRI indicator	Indicator description		Report section	Comment
GRI 303-2	Management of water discharge-related impacts		Responsible use of resources, p. 91	
GRI 303-3	Water withdrawal	2.3	Responsible use of resources, p. 91 Appendix 'ESG Dashboard', p. 169	The Company does not withdraw surface water and seawater or produces water. Disclosure of information on the types of water purity is irrelevant for the Company, considering the nature of its activities.
GRI 303-4	Water discharge		Responsible use of resources, p. 91 Appendix 'ESG Dashboard', p. 169	The Company does not discharge water into the seas or ground. The Company does not operate in areas with water stress. Disclosure of information on the types of water purity and information about hazardous substances in water discharge is irrelevant for the Company, considering the nature of its activities.
GRI 303-5	Water consumption		Appendix 'ESG Dashboard', p. 169	The Company does not store water.
<b>GRI 305. EMISSIONS (2016)</b>				
GRI 305-1	Direct (Scope 1) GHG emissions	2.5	Carbon management, p. 92 Appendix 'ESG Dashboard', p. 170	MTS Group does not generate CO <sub>2</sub> biogenic emissions.
GRI 305-2	Energy indirect (Scope 2) GHG emissions		Carbon management, p. 92 Appendix 'ESG Dashboard', p. 170	
GRI 305-3	Other indirect (Scope 3) GHG emissions		Carbon management, p. 92 Appendix 'ESG Dashboard', p. 170	MTS Group does not generate CO <sub>2</sub> biogenic emissions
GRI 305-4	GHG emissions intensity		Appendix 'ESG Dashboard', p. 169	

Basic indicators of Russian Union of Industrialists and Entrepreneurs

GRI indicator	Indicator description		Report section	Comment
GRI 305-5	Reduction of GHG emissions		Carbon management, p. 92	
GRI 305-6	Emissions of ozone-depleting substances (ODS)			MTS Group does not emit ozone-depleting substances into the atmosphere.
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			MTS Group does not emit nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions into the atmosphere.
<b>GRI 306. WASTE (2020)</b>				
GRI 306-1	Waste generation and significant waste-related impacts	2.7	Responsible use of resources, p. 89	The main waste generated in the Company is municipal solid waste and wire waste.
GRI 306-2	Management of significant waste-related impacts	2.8	Responsible use of resources, p. 89	The operators to whom the Company transfers waste manage the waste in line with the legislation of the Russian Federation.
GRI 306-3	Waste generated		Responsible use of resources, p. 89 Appendix 'ESG Dashboard', p. 169	
GRI 306-4	Waste diverted from disposal		Appendix 'ESG Dashboard', p. 169, 170	
GRI 306-5	Waste directed to disposal		Appendix 'ESG Dashboard', p. 169, 170	The Company does not send waste for incineration.
<b>GRI 308. SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)</b>				
GRI 308-1	New suppliers that were screened using environmental criteria		Responsible supply chain, p. 112	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		Responsible supply chain, p. 112	

Basic indicators of Russian Union of Industrialists and Entrepreneurs

GRI indicator	Indicator description		Report section	Comment
<b>GRI 401. EMPLOYMENT (2016)</b>				
GRI 401-1	New employee hires and employee turnover	3.1.2	Our Team, p. 59, 60 Appendix 'ESG Dashboard', p. 156, 157	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Our Team, p. 62	
GRI 401-3	Parental leave		Appendix 'ESG Dashboard', p. 158	
<b>GRI 402. LABOR/MANAGEMENT RELATIONS (2016)</b>				
GRI 402-1	Minimum notice periods regarding operational changes			At least two months before a critical event occurs.
<b>GRI 403. OCCUPATIONAL HEALTH AND SAFETY (2018)</b>				
GRI 403-1	Occupational health and safety management system	3.1.9	Health and safety, p. 63, 65	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	3.1.5 3.1.6 3.1.7 3.1.8	Health and safety, p. 63, 64 Appendix 'ESG Dashboard', p. 158, 159	Due to the nature of the Company's activities, disclosure of information about the ability of employees to terminate work duties is irrelevant.
GRI 403-3	Occupational health services		Health and safety, p. 63, 65	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		Health and safety, p. 63, 64	Employees transmit questions and complaints through feedback mechanisms. The most critical issues (if any) are discussed at management meetings.



**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description		Report section	Comment
GRI 403-5	Worker training on occupational health and safety		Health and safety, p. 64, 65 Appendix 'ESG Dashboard', p. 159	
GRI 403-6	Promotion of worker health		Health and safety, p. 64, 65 Appendix 'ESG Dashboard', p. 159	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Due to the nature of the Company's activities, disclosure of information about risks in the field of OHS in business relationships with other companies is irrelevant.
GRI 403-8	Workers covered by an occupational health and safety management system		Health and safety, p. 63 Appendix 'ESG Dashboard', p. 158	
GRI 403-9	Work-related injuries	3.1.5 3.1.6 3.1.7 3.1.8	Health and safety, p. 66 Appendix 'ESG Dashboard', p. 159	
GRI 403-10	Work-related ill health		Health and safety, p. 65 Appendix 'ESG Dashboard', p. 160	
<b>GRI 404. TRAINING AND EDUCATION (2016)</b>				
GRI 404-1	Average hours of training per year per employee	3.1.10 3.1.11	Corporate culture, p. 54 Training and development, p. 67 Appendix 'ESG Dashboard', p. 161, 162	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		Training and development, p. 67 Our Team, p. 59	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description		Report section	Comment
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		Our Team, p. 61 Appendix 'ESG Dashboard', p. 157	
<b>GRI 405. DIVERSITY AND EQUAL OPPORTUNITY (2016)</b>				
GRI 405-1	Diversity of governance bodies and employees		Our Team, p. 58 Corporate Governance Section, <a href="#">MTS PJSC Annual Report 2022</a> , p. 86 Appendix 'ESG Dashboard', p. 155, 163	
GRI 405-2	Ratio of basic salary and remuneration of women to men		Our Team, p. 61 Appendix 'ESG Dashboard', p. 157	The Company does not distinguish basic salary and remuneration between men and women, so the calculation is not conducted.
<b>GRI 406. NON-DISCRIMINATION (2016)</b>				
GRI 406-1	Incidents of discrimination and corrective actions taken	3.2.2	Diversity and equal opportunity, p. 74	The Group recorded no cases of discrimination in the reporting period.
<b>GRI 407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)</b>				
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.1.4	Diversity and equal opportunity, p. 74	
<b>GRI 408. CHILD LABOR (2016)</b>				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor		Diversity and equal opportunity, p. 74 Responsible supply chain, p. 112	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
<b>GRI 409. FORCED OR COMPULSORY LABOR (2016)</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and equal opportunity, p. 74 Responsible supply chain, p. 112	
<b>GRI 410. SECURITY PRACTICES (2016)</b>			
GRI 410-1	Security personnel trained in human rights policies or procedures	Diversity and equal opportunity, p. 74	
<b>GRI 411. RIGHTS OF INDIGENOUS PEOPLES (2016)</b>			
GRI 411-1	Incidents of violations involving rights of indigenous peoples	3.2.3	There were no incidents of violations involving rights of indigenous peoples in 2022.
<b>GRI 413. LOCAL COMMUNITIES (2016)</b>			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	3.3.2 3.3.3	Support for digital development of communities, p. 37, 42
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	3.3.3	The Company does not have a significant negative impact on local communities.
<b>GRI 414. SUPPLIER SOCIAL ASSESSMENT (2016)</b>			
GRI 414-1	New suppliers that were screened using social criteria	Responsible supply chain, p. 112	
GRI 414-2	Negative social impacts in the supply chain and actions taken	Responsible supply chain, p. 112	

**Basic indicators of Russian Union of Industrialists and Entrepreneurs**

GRI indicator	Indicator description	Report section	Comment
<b>GRI 415. PUBLIC POLICY (2016)</b>			
GRI 415-1	Political contributions		MTS Group does not provide financial support to political parties.
<b>GRI 416. CUSTOMER HEALTH AND SAFETY (2016)</b>			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Providing an accessible environment and services, p. 28	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no violations during the reporting period.
<b>GRI 417. MARKETING AND LABELING (2016)</b>			
GRI 417-1	Requirements for product and service information and labeling	Providing an accessible environment and services, p. 16 Support for digital development of communities, p. 44	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling		There were no instances of non-compliance during the reporting period.
GRI 417-3	Incidents of non-compliance concerning marketing communications		
<b>GRI 418. CUSTOMER PRIVACY (2016)</b>			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Support for digital development of communities, p. 23	

# SASB Index and indicator details

SASB (Sustainability Accounting Standards Board)  
 Internet Media & Services  
 Telecommunication Services  
 Software & IT Services

The code	Accounting metric	Report section
TC-IM-130a.1 TC-TL-130a.1 TC-SI-130a.1	(1) Total amount of energy consumed (2) Percentage of electricity received from power supply systems (3) Percentage of energy derived from renewable sources	1) Responsible use of resources, Appendix 'ESG Dashboard' (2) Responsible use of resources (3) Responsible use of resources
TC-IM-130a.2 TC-SI-130a.2	1) Total water withdrawal (2) Total water consumption, proportion of consumption in regions with high or extremely significant water scarcity	(1) Responsible use of resources, Appendix 'ESG Dashboard' (2) Responsible use of resources, Appendix 'ESG Dashboard'
TC-IM-130a.3 TC-SI-130a.3	Discussion of integrating environmental considerations into strategic planning for data centre needs	Responsible use of resources
TC-IM-220a.1 TC-TL-220a.1 TC-SI-220a.1	Description of policies and practices related to behavioural advertising and user privacy	Providing an accessible environment and services
TC-IM-220a.2 TC-TL-220a.2 TC-SI-220a.2	Number of users/customers whose information is used for secondary purposes	Providing an accessible environment and services
TC-IM-220a.3 TC-TL-220a.3 TC-SI-220a.3	Total amount of monetary losses resulting from litigation related to breach of user/customer privacy	None

The code	Accounting metric	Report section
TC-IM-220a.4 TC-TL-220a.4 TC-SI-220a.4	(1) Number of requests from law enforcement to provide user/customer information (2) Number of users whose information was requested (3) Disclosure percentage	No data
TC-IM-220a.5 TC-SI-220a.5	List of countries where key products or services are subject to government monitoring, blocking, content filtering, or censorship	No data
TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	No data
TC-IM-230a.1 TC-TL-230a.1 TC-SI-230a.1	(1) Number of data leaks (2) Percentage of personal information used (PII) (3) Number of affected users/customers	(1) Providing an accessible environment and services (2) Providing an accessible environment and services (3) Providing an accessible environment and services
TC-IM-230a.2 TC-TL-230a.2 TC-SI-230a.2	Description of the approach to identifying and mitigating data security risks, including the use of third-party cybersecurity standards	Providing an accessible environment and services Information security
TC-IM-330a.1	Share of employees who are foreign citizens	Our team
TC-SI-330a.1	Share of employees (1) who are foreign citizens (2) offshore	(1) Our team (2) Our team

The code	Accounting metric	Report section
TC-IM-330a.2 TC-SI-330a.2	Engagement of employees as a percentage	Culture of support and open dialogue
TC-IM-330a.3 TC-SI-330a.3	Percentage representation of both sexes and racial/ethnic groups (1) among the management (2) among the technical staff and (3) among all other employees	Our team, Appendix 'ESG Dashboard'
TC-TL-440a.1	(1) Materials retrieved under take-back programmes, percentage of recovered materials that were (2) reused (3) recycled and disposed of (4) buried	Responsible use of resources, Appendix 'ESG Dashboard'
TC-IM-520a.1 TC-TL-520a.1 TC-SI-520a.1	The total amount of monetary losses resulting from litigation related to the regulation of anti-competitive behaviour	None
TC-TL-520a.2	Average actual sustained download speed (1) own and commercial content and (2) unrelated content	No data
TC-TL-550a.1	(1) Average frequency of system interruption and (2) average interruption duration for a customer	No data
TC-SI-550a.1	Number of (1) performance issues and (2) service interruptions (3) total customer downtime	No data
TC-SI-550a.2	Description of business continuity risks associated with operation interruption	ESG risk management

The code	Accounting metric	Report section
TC-TL-550a.2	Discussion of systems for ensuring uninterrupted service during disruptions	ESG risk management
TC-IM-000.A	Enterprise user activity metric	Providing an accessible environment and services Support for economic development
TC-SI-000.A	(1) Number of licenses or subscriptions (2) Percentage of cloud technologies	Unified compliance system MTS licences
TC-IM-000.B TC-SI-000.B	(1) Data processing capabilities (2) Share of outsourcing	Support for economic development
TC-IM-000.C TC-SI-000.C	(1) Data storage capacity (2) Share of outsourcing	Providing an accessible environment and services Support for economic development
TC-TL-000.A	Number of wireless subscribers	MTS digital ecosystem
TC-TL-000.B	Number of wired subscribers	MTS digital ecosystem
TC-TL-000.C	Number of broadband access subscribers	Providing an accessible environment and services
TC-TL-000.D	Network traffic	Providing an accessible environment and services

# TCFD Index and indicator details

Area of disclosure and recommended disclosures	Report section / comment
<b>Governance</b> <b>Disclose the organisation's governance around climate-related risks and opportunities</b>	
a. Describe the Board of Directors' oversight of climate-related risks and opportunities	Sustainable development management Carbon management
b. Describe management's role in assessing and managing climate-related risks and opportunities	Sustainable development management Carbon management
<b>Strategy</b> <b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</b>	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Carbon management
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Carbon management
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Carbon management
<b>Risk management</b> <b>Disclose how the organisation identifies, assesses, and manages climate-related risks</b>	
a. Describe the organisation's processes for identifying and assessing climate-related risks	ESG risk management Carbon management
b. Describe the organisation's processes for managing climate-related risks	ESG risk management Carbon management

Area of disclosure and recommended disclosures	Report section / comment
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	ESG risk management Carbon management
<b>Metrics and targets</b> <b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Carbon management
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Carbon management CDP reporting
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Carbon management

# Accordance to GSMA ESG metrics for Mobile<sup>1</sup>



Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>2</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks	
				2022	2021				
Mobile footprint		Mobile connections (customers)	Total number of mobile connections	82.3 million	80.4 million	Yes			
			Cellular data traffic	Total cellular data traffic (last 12 months, exabytes)	9.34 exabytes	7.98 exabytes	Yes		
Environment KPIs	Emissions	Science-based targets	1.1 Have you set, or committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement? (yes/no)	MTS hasn't set, or committed to set any GHG emissions targets yet, but MTS is in the process of development of its carbon management strategy.		No	GSMA-ENV-01	Stakeholder Capitalism Metrics; TCFD Recommendations; CDSB R01, R02, R03, R04 and R06; SASB 110; SBTs initiative	
			Scope 1, 2 and 3 emissions	1.2a i. Absolute Scope 1 and 2 emissions (tonnes CO <sub>2</sub> e)	710,815	674,200	Yes	GSMA-ENV-02	GRI 305:1-3, TCFD, GHG Protocol (modified)
				1.2a ii. Percentage change in absolute Scope 1 and 2 emissions since last reporting period	5.43% <sup>3</sup>	-4.17%	Yes		
				1.2b i. Absolute Scope 3 emissions (tonnes CO <sub>2</sub> e)	770,676	498,447.8	Yes		
	1.2b ii. Percentage change in absolute Scope 3 emissions since last reporting period	54.6	-4.32%	Yes					

<sup>1</sup> The data is given for the MTS Group, unless otherwise specified.

<sup>2</sup> Data is provided for calendar year if other is not specified.

<sup>3</sup> The increase is due to the fact that two more subsidiaries are taken into account, including data centre 'Green Bush'.

Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>2</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks
				2022	2021			
Energy	Energy consumption	Energy consumption	1.3a. Total energy consumed across group (MWh) <sup>1</sup>	2,010,080.65	1,921,021.771	Yes	GSMA-ENV-03	GRI 302-1; SASB TC-TL-130a.1 (modified)
			1.3b. Total network-related energy consumed (MWh) <sup>1</sup>	1,498,965.70	1,452,497.06	Yes		
			1.3c i. Network energy mix: percentage renewables <sup>1</sup>	0%	0%	Yes		
			1.3c ii. Network energy mix: percentage grid (fossils) <sup>1</sup>	99.8%	99.8%	Yes		
			1.3c iii. GSMA ESG Metrics for mobile guide – Percentage off-grid renewable <sup>1</sup>	0.003%	0.002%	Yes		
			1.3c iv. Network energy mix: percentage diesel (GSMA ESG Metrics for mobile guide – Percentage off-grid non-renewable) <sup>1</sup>	0.22%	0.17%	Yes		
Waste reduction	Materials repaired or reused	Materials repaired or reused	1.4a i. Percentage of network equipment repaired or reused, by units	MTS is in the process of implementing an integrated e-waste management system, not all indicators are already calculated		No	GSMA-ENV-04	SASB TC-TL-440a.1 (modified)
			1.4a ii. Percentage of network equipment repaired or reused, by purchase price			No		
			1.4b i. Percentage of handsets and CPE repaired or reused, by units			No		
			1.4b ii. Percentage of handsets and CPE repaired or reused, by purchase price			No		

<sup>1</sup> Data is provided for MTS PISC.

Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>3</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks
				2022	2021			
		Waste generated	1.5a Total waste generated (tonnes) <sup>1</sup>	5,357.658	6,091.918	Partially	GSMA-ENV-05	GRI 306-3 (modified)
			1.5b Network waste (tonnes)	Data is not calculated because most of the network equipment and e-waste is considered a commodity. MTS is in the process of implementing an integrated e-waste management system, not all indicators are already calculated.		No		
			1.5c Handset and other CPE waste (tonnes)	Due to the specifics of the business activities within the MTS Group, we work with a large list of digital equipment, so we do not separate the category of mobile devices from the e-waste separately.		No		
			1.5d All other waste (tonnes)	Included in 1.5a		Partially		
		Materials recycled	1.6a i. Percentage of network waste (from 1.5b) recycled, by units	Indicator is not calculated because network and e-waste equipment is not considered as a commodity, but according to the refurbishment programme 362,600 units of subscriber equipment was repaired in 2022.	Indicator is not calculated because network and e-waste equipment is not considered as a commodity, but according to the refurbishment programme 168,334 units of subscriber equipment was repaired in 2021.	No	GSMA-ENV-06	SASB TC-TL-440a.1 (modified)
			1.6b i. Percentage of handset and CPE waste (from 1.5c) recycled	indicator is not calculated		No		
			1.6c i. Percentage of all other waste (from 1.5d) recycled <sup>2</sup>	3.3%	5.4%	Partially		

<sup>1</sup> Data is provided for MTS PJSC.  
<sup>2</sup> Total volume of waste not sent to landfill.  
<sup>3</sup> Data is provided for MTS PJSC.



Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>2</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks
				2022	2021			
Digital Inclusion	Network coverage	Population covered by mobile network	2.1 Percentage of population covered by operator's mobile network. Please disclose each network generation (3G, 4G, 5G) separately	Russia: 2G – 96.3%, 3G – 86.5%, 4G – 83.8%	Russia: general - 97%, 4G - 80%	Yes	GSMA-INC-01	ITU indicator 2.6
				Belarus: 2G – 99.9%, 3G – 99.9%, 4G – 95.7%	Belarus: 2G – 99.9%, 3G – 99.9%, 4G – 85.6%			
	Affordability	Device and subscription affordability	2.2a Cost of the most affordable smartphone (please use local currency and include country name)	RUB 1,490, Russia		Yes	GSMA-INC-02	GSMA Methodology
			2.2b Most affordable way of purchasing 1GB of data (please use local currency and include country name)	RUB 19.3, Russia		Yes		
	Digital skills	Digital skills programmes	2.3 Number of people (excluding employees) who have completed a basic, intermediate or advanced digital skills training programme divided by total subscribers <sup>1</sup>	0.81	0.94	Yes	GSMA-INC-03	ITU Digital Skills Toolkit
Digital Integrity	Data protection	Customer data incidents	3.1a Number of data breaches, per million subscribers	No significant incidents		Yes	GSMA-INT-01	SASB TC-TL-230a.1 (modified)
			3.1b Percentage of data breaches involving Personal Identifiable Information (PII)			Yes		
			3.1c Number of customers affected, per million subscribers			Yes		
			3.1d Number of regulatory actions for data protection violations (e.g., marketing-related complaints, data breaches), per million subscribers					

<sup>1</sup> MTS online and offline projects on digital and financial literacy were taken into account (in all communication channels).  
<sup>2</sup> Data is provided for calendar year if other is not specified.

Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>1</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks
				2022	2021			
	Digital rights	Digital rights policy	3.2 Is there a policy specifically covering digital rights protection and transparency, privacy, freedom of expression, government mandates to shut down or restrict access, and/or government requests for data? (yes/no)	Yes	Yes	Yes	GSMA-INT-02	2020 Ranking Digital Rights Corporate Accountability Index
	Online safety	Online safety measures	3.3 Do you have controls or programmes in place to improve online safety for children and other vulnerable groups? Please state which vulnerable groups it covers	Yes. MTS in its social documents and programmes that, among other topics, consider the issues of ensuring online security, takes into account the interests of the following vulnerable groups:	Yes	Yes	GSMA-INT-03	

<sup>1</sup> Data is provided for calendar year if other is not specified.

Pillar	Topic	Metric (family)	Metric (name)	Time period (calendar year) <sup>2</sup>		Is the data aligned with the GSMA definition and framework?	ESG Metrics for Mobile code	Alignment to other frameworks
				2022	2021			
Supply Chain	Sustainable supply chain	Sustainable procurement policy	4.1a Do you have a sustainable procurement policy in place? (yes/no)	Yes	Yes	Yes	GSMA-SUP-01	ISO 20400:2017
			4.1b If answer to 4.1a is yes, how many of the following elements does it cover? Please state which elements it covers. a. Organisational governance b. Human rights c. Labour practices d. Environment e. Fair operating practices f. Consumer issues g. Community involvement and development	5 elements: b. Human rights c. Labour practices d. Environment e. Fair operating practices g. Community involvement and development	5 elements: b. Human rights c. Labour practices d. Environment e. Fair operating practices g. Community involvement and development	Yes		
		Supplier assessments	4.2a Percentage of suppliers screened against the sustainable procurement policy using Company defined and documented assessment procedure, within the previous two years to the reporting period	All suppliers of the Company must fill out a questionnaire with information about themselves and sign an acquaintance with the Policy Compliance with anti-corruption laws, the Code of Business Conduct and Ethics of MTS PJSC, the Code of Business Conduct of the counterparty of MTS PJSC		No	GSMA-SUP-02	GRI 308-1; GRI 414-1 (partially)
			4.2b Percentage of suppliers assessed against the sustainable procurement policy through site visits, within the previous two years to the reporting period	9 JAC audits <sup>1</sup>	No audits were conducted in 2021 due to pandemic restrictions	Partially		

<sup>1</sup> Total volume of waste not sent to landfill.

<sup>2</sup> Data is provided for calendar year if other is not specified.

# Details of MTS Group charitable donations

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
<b>Russia</b>							
<b>Treatment of seriously ill children</b>	'Give good!'	'Give good!' – MTS charity programme aimed at helping seriously ill children through partner charitable foundations	1,000,000.00	17 June – 16 August 2022	Podsolnukh Charitable Foundation for Children and Adults with Immune Disorders	The donation helped to treat nine children with serious illnesses	Apteka v Mitino LLC, Ilan LLC
	Summer rehabilitation camp for children and adolescents with osteogenesis imperfecta and other bone pathologies 'Osteopolis 2.0'	Voluntary donation to organise a charitable project 'Summer rehabilitation camp for children and adolescents with osteogenesis imperfecta and other bone pathologies 'Osteopolis 2.0' The project includes physical therapy for patients with osteogenesis imperfecta, including sessions with qualified rehabilitation therapists and occupational therapists, creative and developmental activities for camp participants and their carers.	5,370,001.50	18 August – 27 September 2022	Charitable Foundation for Assistance to Patients with Osteogenesis Imperfecta and Other Bone Pathologies 'Khrupkiye Lyudi'	Over 60 children and teenagers from Russian regions took part in the camp, as well as their parents, for whom a psychological rehabilitation programme was organised. The treatment of a child, who is a foundation beneficiary, was paid for	NPJSC Center Omega, Federal State Budgetary Institution 'National G. I. Turner Children's Traumatology and Orthopaedics Medical Research Centre' of the Ministry of Healthcare of Russia
<b>Culture / education support</b>	'Generation M'	Support for the Night of Arts project, which included the event 'Diaghilev's Night. Dress Rehearsal'. The Night of Arts programme featured a series of choreographic performances created by contemporary choreographers based on three Ballets Russes productions: 'The Afternoon of a Faun', 'The Rite of Spring' and 'Petrushka'.	3,000,000.00	November 2022	Foundation for the Support of the Tretyakov Gallery		-
	Support for regional charitable children's events 'Detskiy Kinomai' with participation of children from Russian social institutions	The Sistema Charitable Foundation supports regional charitable children's events 'Detskiy Kinomai' (the Detskiy Kinomai Charitable Foundation project). The charitable events include free creative master classes in acting, singing and directing and are aimed at developing the creative potential of children living in regional social institutions, families with many children, those in difficult situations and from other categories.	23,345,000	March 2022 – March 2023	Sistema Charitable Foundation	Detskiy Kinomai Charitable Foundation. The project provided support to the following social institutions: Charitable Foundation for Social Support and Protection of Children 'Sunny Tomorrow'; Charitable Foundation 'One Life'; Autonomous Non-Profit Organisation 'Social Assistance Centre 'Faith of Mercy'; Smolensk Regional State Educational Institution for Orphans and Children Left without Parental Care 'Demidovskaya Boarding School'; Private Social Service Institution 'SOS-Tomilino Children's Village'; Regional State Budgetary General Educational Institution with Boarding School 'Smolensk Feldmarshal Kutuzov Cadet Corps';	The following contractors were engaged to implement the project: Avto-Best LLC; Akcion-Press LLC; Audit-Garantiya-M CJSC; BIGAM-Invest LLC; VANK & K LLC; Vashobed LLC; VDGB; ITS LLC; Galla-Invest LLC; Globus-Press XXI LLC; LLC Dialog-Konversiya LLC; DNS Retail LLC; Domashniy Interior LLC; Donskoy State Technical University; INVEST-NN LLC; Internet Resheniya LLC; IE Azarova Elena Nikolaevna; IE Andreev Aleksey Petrovich; IE Batsyun Maxim Vladimirovich; IE Zubko Mikhail Viktorovich; IE Ivanov A. A.; IE Klyus Yuri Gennadyevich; IE Kuznetsov A.V.; IE Kuznetsov Anatoly Vladimirovich;

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
		Famous actors, singers, directors and other professional creative mentors are invited. In addition to cultural, educational and recreational activities, charitable assistance is usually provided to regional social institutions (donation of clothes, tools, equipment and other assets as requested by a social institution).				Private Institution 'KOVCHEG CHILDREN'S CENTRE'; State-Owned General Educational Institution of the Rostov Region 'Centre for the Education of Children with Special Needs', Krasnosulinsky District of the Rostov Region; State Institution of the Tula Region 'Regional Centre for Social Assistance to Family and Children'; State Regional Budgetary Healthcare Institution 'Smolensk Regional Children's Clinical Hospital'; State Budgetary Social Services Institution for the Rostov Region 'Taganrog Social Shelter'; Autonomous Non-Profit Organisation 'Vsem Mirom Centre for Assistance to Children and Their Parents'; State-Owned Institution of Social Services of the Rostov Region for Children Left without Parental Care 'Shakhtinsky Children's Aid Centre No. 3'; Municipal Budgetary Educational Institution Secondary School No. 18 in Smolensk; State-Owned Institution 'Asyltash Social Shelter for Children and Adolescents' in the Naberezhnye Chelny Urban District; State-Owned Institution 'Derbyshkinsky Children's Boarding Home for Citizens with Mental Disorders' in Kazan; State Budgetary Educational Institution 'Kazan Boarding School No. 11 for Orphans and Children with Disabilities Left without Parental Care'	IE Kustov Ilya Leonidovich; IE Lavoyants S.S.; IE Neumoina Anna Sergeevna; IE Oporkova E.V.; IE Paller A.L.; IE Popov Mikhail Konstantinovich; IE Potapov S.G.; IE Slobodenyuk A.G.; IE Smirnov S.M.; IE Sokolova Ekaterina Mikhailovna; IE Kharchenko Tatiana Viktorovna; IE Kholkina I.A.; IE Chernoburova Yulia Aleksandrovna; IE Shorokhova N.V.; Regional State Budgetary Institution of Culture 'Gubernsky Cultural and Leisure Centre'; Komus LLC; Cosmos Travel LLC; Courier-Region Stolitsa LLC; Life-Mebel LLC; MASTERHOST LLC; MIK-35 LLC; Mon Plaisir LLC; Monitor Sh LLC; MOSKANTS LLC; MTS PJSC; Novy Knizhny M; Municipal Budgetary Cultural Institution 'Orlyonok Public Leisure Centre'; Ekaterina Otel LLC; Offsmag-RT LLC; PKF KVARTS LLC; Podarochnaya Kompaniya LLC; Advertising and Production Company LLC; Rus-Trade LLC; Citilink LLC; Smolenskino LLC; Sportmaster LLC; Temp LLC; TPK Comfort LLC; T-Sport LLC; Tula Sofia LLC; Tutsi LLC; Usadba LLC; Uchebnoye Resheniye LLC; Fabrika Suvениrov LLC; Pharmavit LLC; Regional State Budgetary Institution of Culture 'Kostroma State Philharmonic Society'; Shokolad Management LLC; Electronic Document Management LLC; overheads contractors
	'Sistema FEST' Regional Educational Fests	'Sistema FEST' educational charity fests in 3 Russian cities. The fest programme included: the Cultural Weekend project, career guidance mobile laboratories 'Lift to the Future', online lessons about art (with the involvement of specialists from the State Russian Museum), a programme to improve the qualifications of teachers and cultural workers (with the involvement of specialists from the Jewish Museum and Tolerance Centre, a private cultural institution), sports and environmental master classes. All events were held free of charge for a wide range of people (for everyone interested).	21,750,000	March 2022 – February 2023	Sistema Charitable Foundation		IE Veselova K.A.; GAGA LLC; IE Gorokhova E.S.; the Jewish Museum and Tolerance Centre; KBS LLC; KOMUS LLC; Kostroma Museum-Reserve; IE Kulakov R.A.; IE Meleshchuk A.I.; Moscow Nikulin Circus on Tsvetnoy Boulevard; Vrubel Museum; the National Museum of the Republic of Altai named after A.V. Anokhin; Nasha Liga LLC; Russian Museum; IE Stovburenko I.A.; IE Ten I.I.; TIP-TOP LLC; FLAGSHOTOK SERVIS LLC; ENTERTAINMENT MSK LLC; contractors with respect to overheads
	Support for inclusive and educational projects of the Russian Museum	As part of the development of social and cultural projects of the Russian Museum, the Sistema Charitable Foundation supports the creation of excursions and video guides in Russian Sign Language (RSL), audio guides with typhlo-commenting, art therapy groups, tactile models, excursions with a deaf guide through the museum's exposition; review videos in RSL for temporary expositions; online lectures in RSL; conferences 'Art and Traditions of the Peoples of Russia', 'Neradov Readings' on the topic of digital storage of museum treasures and introduction of new technologies, for the 20th anniversary of co-operation 'Museum in the Modern World'.	8,700,000	March 2022 – November 2023	Sistema Charitable Foundation	Russian Museum	IE Sharipov Bulat Yakubovich; IE Pogrebnyak Asya Vyacheslavovna; IE Kalinin Mark Valeryevich; IE Rylov Evgeny Yuryevich; IE Kulakov Roman Andreevich; LABIRINT.RU LLC; WILDBERRIES LLC; Internet Resheniya LLC; PLANETA UVLECHENIY JSC; RUSSIAN POST JSC; IE Krivospitskiy Maxim Anatolievich; KOMUS LLC; Bumaga Severo-Zapad LLC; RURAM.RU LLC; Vkontakte LLC; Great Print LLC; IE Andrievich Yulia Vasilievna; IE Chizhik Aleksey Eduardovich; IE Yaryshkina NV; Printing House NP-Print LLC; PSK PATRIOT LLC; IE Rakhmimov Sergey Alexandrovich; IE Orsher Vladislav Eduardovich; IE Belyaev Leonid Vladimirovich; Non-Profit Organisation 'Association of ITMO Graduates'; Bukhtoyarov Semyon Andreyevich (self-employed); INKERBERTS LLC; contractors with respect to overheads
Support for healthy lifestyle and environment	Sports competitions and other events promoting healthy lifestyle	Sistema continues to implement projects to promote healthy lifestyles and sports. A Company-wide campaign #ZabegZaLes as part of the Zabeg.RF federal project is aimed at involving residents of Moscow and Russian regions in the Zabeg-RF run. The goal of the project is to draw the attention of society to environmental problems in the regions through participation in the race. As a result of the race, seedlings were purchased for reforestation in the Russian Federation.	10,150,000	March – December 2022	Sistema Charitable Foundation	-	IE Artamonova E.V.; IE Gorokhova E.S.; Internet Resheniya LLC; Kreativnye Resheniya LLC; IE Kritsky S.V.; IE Kulakov R.A.; IE Leneva M.A. Nasha Liga LLC; IE Pavlyuk A.A.; SOCIAL PROJECTS LLC; IE Starovoitov D.S.; IE Ten I.I.; ENTERTAINMENT MSK LLC; overhead contractors
Support for sustainable development/ education	Development of ESG recommendations for Russian companies	The Sistema Charitable Foundation continues to implement the project to analyse compliance of companies registered in the Russian Federation with ESG principles. General recommendations for Russian companies were developed on the basis of the analysis performed. The recommendations are published on the website of the Sistema Charitable Foundation to improve the ESG performance of all Russian companies.	6,815,000	March 2022 – February 2023	Sistema Charitable Foundation	-	BUSINESS AWARDS LLC; IE Bobrovskaya E. V.; B-PRO (EDMS) LLC; Nuzhna Pomoshch Charitable Foundation; overhead contractors

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
Support of education	Holding offline and online events for colleges/universities with the participation of ambassadors, interns, and other participants and partners of the 'Lift to the Future' project in 2022	Holding offline and online events for different target audiences of the 'Lift to the Future' project (students, schoolchildren, interns, working youth, volunteers, and other project participants) to promote educational projects of the 'Lift to the Future' programme and develop required skills for a specific development track (leadership/entrepreneurship, career, society, environment, and sustainable development). As part of each track, a set of hybrid format events is implemented, which makes it possible to learn the necessary information remotely and out the acquired skills into practice.	18,415,000	January – December 2022	Sistema Charitable Foundation	121 winners of the scholarship programme for schoolchildren and students of colleges and universities among users of the 'Lift to the Future' online platform	Individuals – project contractors, IE Balashov V.V.; Businessbus LLC; IE Bobrovskaya E.V.; Deloyve Lini LLC; Yellow Price LLC; INKBERBERTS LLC; Internet Shkola LLC (EDMS); KBS LLC; KOMUS LLC; IE Kulakov R. A., Moscow Aviation Institute; IE Manych I. S. (EDMS); MMSO Autonomous Non-Profit Organisation; IE Pavlyuk A. A.; IE Selyukova Y. E.; SINKHRONISATIA LLC; IE Ten I. I.; TIP-TOP LLC; IE Fetisov M. M.; ENTERTAINMENT MSK LLC; overhead contractors
	Promotion of the platform and events of the 'Lift to the Future' project	To attract potential users to the 'Lift to the Future' Internet platform, the Sistema Charitable Foundation continues to implement a campaign to promote the platform on the Internet and in the media through social networks, media partnerships, creative cases, automatic chains of e-mails to users of the 'Lift to the Future' platform using a specialised service, and other tools.	2,031,000	January – December 2022	Sistema Charitable Foundation	-	ALTKRAFT LLC; VKONTAKTE LLC; Vasilieva Tatiana Alexandrovna (self-employed); Gileva Y. V. (self-employed); IE Globa M. Y.; IE Zentsova S. V. (EDMS); INAZUMA LLC; CLICK.RU LLC; KOMMERSANT JSC; Makarov Maxim Dmitrievich (self-employed); IE Meshkova E. V. (EDMS); MOSCOW MEDIA JSC; RBC-TV JSC (EDMS); RED LINE LLC; RED LINE LLC (EDMS); IE Selyukova Y. E.; EF-CONGRESS LLC; UNISENDER RUS LLC; UNISENDER SMART LLC; YANDEX LLC; overheads contractors
	Support for projects of the Russian Geographical Society, an all-Russian non-governmental organisation (to award research grants)	Support for projects of the Russian Geographical Society (RGS), an all-Russian non-governmental organisation, to award grants for research on geography, environment, biology, etc.). The Russian Geographical Society awards grants annually, starting from 2010, through competition. Starting from 2013, applications are accepted via an electronic system. For more information, see the RGS website at <a href="https://www.rgo.ru/ru/granty/grantovyy-konkurs-2022">https://www.rgo.ru/ru/granty/grantovyy-konkurs-2022</a> . When holding the competition, the RGS complies with the Regulations published on the RGS website at <a href="https://www.rgo.ru/ru/granty/dokument">https://www.rgo.ru/ru/granty/dokument</a> .	14,500,000	March 2022 – February 2023	Sistema Charitable Foundation	Melnikov Permafrost Institute of the Siberian Branch of the Russian Academy of Sciences, Federal State Budgetary Institution of Science; Pacific National University, Federal State Budgetary Educational Institution of Higher Education; Kenozero National Park, Federal State Budgetary Institution; Orenburg Federal Research Centre of the Ural Branch of the Russian Academy of Sciences, Federal State Budgetary Institution of Science; Institute of Geography of the Russian Academy of Sciences, Federal State Budgetary Institution of Science; Krasnoyarsk Regional Division of the Russian Geographical Society, All-Russian Non-Governmental Organisation; Vyatka State University, Federal State Budgetary Educational Institution of Higher Education; Herzen University, Federal State Budgetary Educational Institution of Higher Education; Lomonosov Moscow State University	overheads contractors
	Refinement and technical support of the LMS platform of the 'Lift to the Future' educational project	The platform is designed to automate the 'Lift to the Future' educational programme of the Sistema Charitable Foundation. The platform makes it possible to organise online group and individual training. The LMS platform is the infrastructure core of the 'Lift to the Future' programme used for the following purposes: to ensure the transparency, manageability, and information support of processes related to training under the programme; to improve the efficiency of interaction and ensure coordinated work of programme participants, teachers, organisers, and partners; to structure and accumulate in a single database all information related to educational results of programme participants – digital profiles (information on completed courses, results of internships and industrial placements, participation in tests and surveys, results of participation in contests, etc.); to arrange a platform for programme participants to communicate with potential employers; to prepare analytical reports on the platform performance to improve it. Additional improvements to the LMS platform to improve and scale up the project (development of new training and testing formats, development of the participant's digital profile algorithm, development of separate landing pages for contests/events within the project, monitoring and statistics tools, and other tasks); extending the functionality of the career guidance service on the platform.	7,250,000	December 2021 – January 2023	Sistema Charitable Foundation	-	INTERNET SHKOLA LLC (EDMS); IE Trifonov Timofey Andreevich; IE Shcherbakov V. N.; contractors with respect to overheads

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
	Individual scholarships for VGIK students	A project to support outstanding talented students of the All-Russian State University of Cinematography named after S. A. Gerasimov (VGIK) by awarding individual scholarships.	1,200,000	During 2022	VGIK	The programme awards scholarships to 10 outstanding students	
Support for socially vulnerable groups	A volunteer project to support elderly people, including retired communications specialists and veterans of labour – 'Silver Heart'	It is a volunteer charity project. The main target audience is people being under care of social institutions for veterans and the elderly: veterans of the Great Patriotic War, veterans of labour, children of war. MTS volunteers collect gifts and money for the elderly, and children of the Company's employees draw greeting cards for them – best cards are then printed and sent to elderly men and women. On the Day of Older Persons, volunteers visit social institutions to communicate with the elderly and provide them with financial and psychological support.	1,988,244.32	22 September – 20 December 2022	Agency for Cultural and Scientific Diplomacy, Autonomous Non-Profit Organisation	Kultayevo Nursing Home for the Elderly and Disabled; Klin Nursing Home for the Elderly and Disabled, State Budgetary Residential Social Care Facility of the Moscow Region; Rzhev Nursing Home for the Elderly and Disabled, State Budgetary Institution; Mikhaylov Nursing Home of the General Type for the Elderly and Disabled, State Budgetary Residential Social Care Facility of the Ryazan Region; Vyazniki Nursing Home named after Glinka E. P., State Budgetary Social Care Facility of the Vladimir Region; Lesnoe Nursing Home for Veterans of War and Labour	IE Sevastyanov D. P., Edinenie (Unity) Youth Centre for Culture and Sports, Autonomous Non-Profit Organisation
	Congratulations to veterans on the Victory Day	Arrangement of traditional festive events 'Russia Begins with You' dedicated to the 77th anniversary of the Soviet people's victory in the Great Patriotic War, congratulations to veterans.	300,000.00	30 June – October 2022	Edinenie (Unity) Youth Centre for Culture and Sports, Autonomous Non-Profit Organisation	Delegations of veterans of the Great Patriotic War, Armed Forces and labour from 12 administrative districts of Moscow, 200 people	none
	Career guidance volunteer project: 'My Country SvyaziYa'	A career guidance volunteer project of MTS Group aimed at promoting digital professions among young people. The project is being implemented in the regions where the Company operates. It facilitates accelerated development of the volunteer movement at MTS Group and enhances interaction with children from sponsored social institutions and schools, and children of MTS employees and partners.	1,094,385.69	24 June – 15 December 2022	Agency for Cultural and Scientific Diplomacy, Autonomous Non-Profit Organisation	National Library named after N. G. Domozhakov, State Budgetary Institution of Culture of the Republic of Khakassia; Theatre for the Young in Cheboksary; Interdom International Education Centre named after E. D. Stasova, Federal State Budgetary Educational Institution; 'Tochka Kipeniya'; Orphanage in Shakhty; Boarding School No. 1 in Elizavetinskaya village; Edinstvo Family and Childhood Support Centre in Krasnodar; Nadezhda Social and Rehabilitation Centre for Minors, State Budgetary Institution of the Saratov Region; 'Tochka Kipeniya' in Kirov; Lipetsk Regional Universal Scientific Library; Secondary School No. 4 in Usman, Municipal Budgetary Educational Institution; Emmaus Boarding School; National Children's Library of the Komi Republic named after S. Y. Marshak; Doverie Centre of Psychological, Pedagogical, Medical, and Social Assistance in Ulyanovsk, Regional State Educational Institution; Murmansk Regional Library for Children and Young People named after V. P. Makhayeva, State Budgetary Institution of Culture; Gymnasium No. 40 named after Y. A. Gagarin in Kaliningrad, Municipal Autonomous Educational Institution; Dachnoe Village School in Yuzhno-Sakhalinsk; Youth Centre in Komsomolsk-on-Amur, Regional State Autonomous Enterprise; Saransk School for Children with Disabilities, State Budgetary Educational Institution	IE Sevastyanov Dmitry Petrovich; Mobil-TV LLC; IGMAR LLC; Formula LLC

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
	'To School with MTS' volunteer campaign	The project includes holding a fair of souvenirs made by the Company's employees, puppet shows aimed at socialising children from rehabilitation centres and social institutions of the Moscow, Voronezh, Nizhny Novgorod, Smolensk, Chelyabinsk, Tver, Vladimir Regions, Republic of Khakassia, Yamalo-Nenets Autonomous District, Republic of Sakha (Yakutia), Altai, Stavropol, Perm, Krasnodar Territories, and other regions.	1,300,000.00	15 August – 31 December 2022	Chistoe Nebo (Clear Sky) Charitable Foundation for assistance and development of creative potential, social adaptation and rehabilitation of orphans, disabled children, and children from low-income and large families	Volzhsk Centre for Orphans and Children without Parental Care, State Budgetary Institution of the Republic of Mari El; Centre for Assistance to Children without Parental Care of the Kopeysk Urban District, Municipal Budgetary Institution; Bogoyavlenie Orphanage, State Educational Institution for Orphans and Children without Parental Care; Partizansk Orphanage, Territorial State Educational Institution; Negino Boarding School, State Budgetary Educational Institution; Pochinok Boarding School, Smolensk Regional State Budgetary Educational Institution; Ryazhsk Social and Rehabilitation Centre for Minors, State Pubic Institution of the Ryazan Region; Polevskoy Centre of Social Support for Families and Children, State Autonomous Social Care Institution of the Sverdlovsk Region; Sumki Nursing Home, State Budgetary Institution; Boarding School for Children with Hearing Disorders, State Budgetary Educational Institution of the Republic of Khakassia; Topchikha Centre for Assistance to Children without Parental Care, Territorial State Budgetary Institution; Youth Centre, Municipal Autonomous Institution; Noginsk Social Rehabilitation Centre for Minors; Tuchkovo Special Boarding School; Volzhsky Social Rehabilitation Centre, State Public Specialised Social Care Institution; Educational Institution for Orphans and Children without Parental Care 'Orphanage No. 10,' Territorial State Public Institution; Doverie Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Rodnik Branch of the Social Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Branch No. 2 of the Perm Centre to Support Children, State Public Social Care Institution of the Perm Territory; Doverie Centre of Psychological, Pedagogical, Medical, and Social Assistance, Regional State Public Educational Institution	Volonteriy v pomoshch detyam (Volunteers for Children) Charitable Foundation; IE Turukin Ivan Sergeevich; Yandex Taxi LLC; IE Malyshko Dmitry Olegovich; APV LLC; Souvenir Company LLC
	'Christmas Trees for Children' volunteer event	The programme includes the purchase of tickets for New Year events and volunteer visits to social institutions with the participation of volunteers from the MTS Mobile Theatre of Fairy Tales.	1,300,000.00	1 December 2022 – 28 February 2023	Chistoe Nebo (Clear Sky) Charitable Foundation for assistance and development of creative potential, social adaptation and rehabilitation of orphans, disabled children, and children from low-income and large families	Bogoyavlenie Orphanage, State Public Educational Institution for Orphans and Children without Parental Care; Volzhsk Social and Rehabilitation Centre for Minors; Centre for Assistance to Children without Parental Care and Promotion of Fostering named after the Hero of the Russian Federation Eduard Borisovich Belan, State (Regional) Budgetary Institution; Yelets Specialised Infant Orphanage, Regional Public Institution; Boarding School for Orphans No. 27, Kemerovo Region; Ostrov Nadezhdy Orphanage, Municipal Public Institution for Orphans and Children without Parental Care; Centre for Social Assistance to Families and Children, Municipal Public Institution; Adaptive Boarding School No. 19, Public Educational Institution;	SOLING LLC; AVANGARD CJSC; RUSSIAN POST JSC



Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
--------------------	---------	---------------------	--------------------------	-------------------------------	-------------	---------------------------------------	----------------------------

Garmonia Social and Rehabilitation Centre for Minors; Bagryaniki Boarding School for Orphans and Children without Parental Care having Disabilities, State Educational Institution of the Yaroslavl Region; Dachnoe Secondary School of the Korsakov Urban District of the Sakhalin Region; Pochinok Boarding School, Smolensk Regional State Budgetary Educational Institution; Children's Shelter No. 1; Social Orphanage for Children and Young People in Kaliningrad, State Budgetary Social Care Institution of the Kaliningrad Region; Bataysk Centre for Assistance to Children without Parental Care, State Public Social Care Institution of the Rostov Region; Doverie Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Raduga Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Miloserdie Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Rodnik Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Rosinka Branch of the Social and Rehabilitation Centre for Minors, State Public Social Care Institution of the Perm Territory; Saransk Boarding School for Children with Hearing Disorders, State Public Educational Institution of the Republic of Mordovia; Ulitka Centre for Assistance to Children without Parental Care, State Specialised Public Institution of the Astrakhan Region; Ekaterina Ivanovna Neuymina; Centre for Assistance to Children without Parental Care No. 7; Transit Social Orphanage, St. Petersburg State Budgetary Social Care Institution; Zolotoy Kluchik Orphanage (mixed type) No. 2, State Public Institution for Orphans and Children without Parental Care; Centre for Assistance to Children without Parental Care of the Kopeysk Urban District, Municipal Budgetary Institution; Boarding School for Children with Hearing Disorders, State Budgetary Educational Institution of the Republic of Khakassia; Ryazhsk Social Rehabilitation Centre for Minors, State Public Institution of the Ryazan Region; Department of Social Rehabilitation of Minors of the Comprehensive Social Services Centre, Municipal Budgetary Institution of the Moshkovo District of the Novosibirsk Region; Charitable Foundation for Children with Incurable Diseases named after Anya Chizhova; Special Boarding School No. 1 in Elizavetinskaya village, State Budgetary Educational Institution of the Krasnodar Territory; Bereg Nadezhdy Centre for Assistance to Family Upbringing of the Department of Labour and Social Protection of the City of Moscow, State Budgetary Institution of the City of Moscow; Bogorodsky Family Centre for Assistance to Families and Children, State Public Social Care Institution of the Moscow Region; Serafim Children's Orthodox Shelter

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
	Volunteer festival of corporate theatres	The festival was held in Moscow at the Moscow Puppet Theatre on 2 December. Events for disabled people included educational workshops and puppet shows from volunteers of the MTS Mobile Theatre of Fairy Tales and the MTS Ecosystem	880,000.00	22 November – 31 December 2022	Chistoe Nebo (Clear Sky) Charitable Foundation for assistance and development of creative potential, social adaptation and rehabilitation of orphans, disabled children, and children from low-income and large families		Moscow Puppet Theatre – the venue for the festival; IE Malyshko D. O.; Elips LLC; IE Abramoviya Olga Andreevna; Tver Turservis LLC; IE Shustova Tatiana Mikhailovna; Internet Resheniya LLC
	Organisation of work of the corporate puppet theatre (Moscow and regions)	The project includes staging children's performances aimed at socialisation and education of children from social and rehabilitation centres, children with disabilities (hearing, vision, and musculoskeletal disorders, etc.) and children without disabilities in Krasnodar and the Krasnodar Territory	287,500.00	19 May – 31 December 2022	Chistoe Nebo (Clear Sky) Charitable Foundation for assistance and development of creative potential, social adaptation and rehabilitation of orphans, disabled children, and children from low-income and large families		IE Shustova Tatiana Mikhailovna; IE Tsypalakov Evgeny Vyacheslavovich; Rustransfer LLC; Soling LLC
	'Path to a Career' educational competition for young job candidates with disabilities	The project includes holding the 'Path to a Career' competitions for young professionals with disabilities in six Russian cities, with the possibility of further employment	600,000.00	18 February – 30 December 2022	Perspektiva Regional Public Organisation of the Disabled		Hotel Company – Centre LLC; DEGAS LLC; PEGAS LLC; Printing House Kvarita LLC; UK Hotel Management JSC; IE Osipov Dmitry; MIROTEL LLC; USPEKH LLC; MK BRIZ LLC; A2+ LLC; ASSOL-Catering LLC
	'Employment Trajectory' programme to support socially vulnerable people	The programme is designed to help socially vulnerable people and people in difficult life situations to socialise and adapt, and to teach them how to look for a job	700,000.00	1 June – 30 December 2022	Teply Priem (Warm Welcome) Social and Rehabilitation Centre for Homeless People, Autonomous Non-Profit Charitable Organisation	Teply Priem Social and Rehabilitation Centre for Homeless People, Autonomous Non-Profit Charitable Organisation, socially vulnerable people and people in a difficult life situation	INTERNET RESHENIYA LLC; KOMUS LLC
	'Accompanied Employment' programme to support socially vulnerable young people	Socialisation and career guidance for children from children's social institutions with the support of MTS volunteers	1,000,000.00	1 August 2022 – 20 February 2023	'Elder Brothers Elder Sisters' Interregional Public Organisation to Support the Younger Generation Development Programme		Rostelecom PJSC; TD TVER GEOFIZIKA LLC; Shchepkina LLC; KTM LLC; IE Bragin Yuri Ivanovich; IE Chizhenkova Yulia Andreevna; Ru Group LLC
	Support for project for people with disabilities	The programme includes general training sessions for MTS employees, audit of vacancies for candidates with disabilities, development of instructions for recruiters on how to communicate with candidates with disabilities	620,000.00	1 April – 31 December 2022	Prostranstvo Ravnkh Vozmozhnostey (Space of Equal Opportunities) Autonomous Non-Profit Organisation for Social Integration of Disabled People		
	Assistance to orphans and children from low-income families	A charitable donation to implement the Beneficiary's charitable project to ensure social adaptation of orphans from regional institutions. The project includes payment for three-months work of teachers from regional orphanages (three people) and organisation of a trip to Moscow to attend a career guidance event (payment for accommodation of participants).	100,000.00	20 October 2022 – 31 December 2022	Zdes i Seichas (Here and Now) Charitable Foundation		

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
	Giving Tuesday	<p>As part of the #GivingTuesday initiative, MTS Fintech made a charitable donation to ORBI Stroke Foundation to support the operation of the Stroke Hotline 8 800 707 52 29</p> <p>The goals of the Hotline are:</p> <ul style="list-style-type: none"> <li>to provide free social and psychological assistance over the phone to people who suffered a stroke and their relatives;</li> <li>to raise public awareness of the stroke symptoms, risk factors, and prevention.</li> </ul>	499,980.00	19 December 2022 – 31 December 2023	ORBI Stroke Foundation		
Environmental support	Planting of shrubs as part of prevention of desertification in the Astrakhan Region	<p>In 2022, a campaign was organised to plant shrubs in the Astrakhan Region by volunteers of the MTS Environmental Movement. The goal of implementing this environmentally important charitable programme is to plant shrubs as part of preventing desertification and dust storms in the Astrakhan Region. The Company's volunteers, together with scientists working on the problem of soil degradation, planted more than 4,000 shrubs of Calligonum and other winter plants in the region. They will help strengthen the sandy soil and stop the process of desertification that causes more frequent dust storms in the region.</p> <p>Another goal of MTS environmental initiatives is to raise public awareness of the need for sustainable use of natural resources. An important result of environmental events is improved environmental culture of employees and their family members and their involvement in the Company's volunteer initiatives.</p>	1,500,000.00	6 October – 20 December 2022	Vremya Budushchego (Time of the Future) Centre for Sustainable Development of Social and Educational Projects, Autonomous Non-Profit Organisation		Astrakhan Tatishchev State University, Federal State Budgetary Educational Institution of Higher Education
	Development of the online version of the MTS Eco-Lesson 'What the environmental footprint is and how digital technologies help reduce it'	<p>Implementation of a socially important environmental programme 'For Children about the Planet' aimed at developing the online version of the MTS Eco-Lesson 'What the environmental footprint is and how digital technologies help reduce it'.</p> <p>Since 2014, MTS has been implementing educational programmes for children aimed at promoting respect for the natural environment using modern technologies. In 2021, MTS developed an eco-lesson for senior school children on the carbon footprint in an offline format; in 2022, MTS began developing an online version of the eco-lesson with an option of remote completion of all interactive tasks.</p>	700,000.00	12 December 2022 – 29 December 2023	Zapovedniki Ecocentre, Autonomous Non-Profit Organisation of Continuing Professional Education		
<b>Belarus</b>							
Support for socially vulnerable groups	Belarusian Children's Hospice, Public Charitable Organisation	MTS has been providing financial support to the hospice since 2010. Children with incurable diseases receive effective and systemic palliative care. In 2022, funds were transferred to buy standing frames for children.	971,623.95	September 2021 – October 2022	Belarusian Children's Hospice, Public Charitable Organisation		IE Karaseva K. A.
Support of education	Minsk-2006 Football Club, State Institution of Physical Culture and Sports	As part of the project, funds were provided to support the facilities and equipment of the football club. Goods and materials (uniform, cups, medals) were purchased.	1,882,815.85	January 2022 – December 2022	Minsk-2006 Football Club, State Institution of Physical Culture and Sports		Akkomadrev CJSC; IE Khvasko S. M.
Gratuitous aid for children with serious illnesses	Grodno Special Boarding School for Children with Hearing Disorders, State Educational Institution	As part of the project, it was planned to partially finance the renovation of the premises. Four window units in the boarding school building were replaced.	143,820.00	December 2021 – October 2022	Grodno Special Boarding School for Children with Hearing Disorders, State Educational Institution		Rikko-Neman LLC

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
<b>Armenia</b>							
<b>Education advancement</b>	Support for the Global IT Award	Annual award for outstanding contribution to development of global information technologies.	3,114,187.00	November 2022	Hayastan Fund	12 people won the award	Microtech HayPost CJSC Charles Restaurant Armenia Marriott Hotel
	Microelectronics Olympiad	The International Microelectronics Olympiad founded in 2006 is aimed at finding and motivating talented engineers under the age of 30. The support of the project was completed, and the funds were redirected to projects to support IT training for schoolchildren.	899,654.00	October 2022	Hayastan Fund	307 people	Ibis Hotel Sputnik Travel Agency
	Armenia Startup Academy's Traction programme and Hero House	The Startup Academy is a 12-week acceleration programme for technology startups. The Academy's programme is focused on high-tech companies and startups established using international best practice and models of leading startup centres.	2,249,135.00	During 2022	High-Tech and Entrepreneurship Development Foundation	150 startups participated in the programme in 2022	none
	Online platform for learning IT technologies in Armenian schools	In cooperation with the Union of Employers of Information and Communication Technologies (UEICT), MTS has developed and is implementing an online platform for schoolchildren to learn IT technologies.	865,052.00	During 2022	Union of Employers of Information and Communication Technologies (UEICT)	High school children in Armenia	Dream Shots LLC
	Smart Solutions centre	The Smart Solutions centre was established in cooperation with the Union of Employers of Information and Communication Technologies (UEICT) and the National Polytechnic University of Armenia. MTS, together with UEICT, established the Department of Smart Solutions at the Polytechnic University: learning laboratories for all courses were created and a curriculum for each course was developed. The Department will have bachelor and master degree programmes, provide training for teachers and professors, and hire new employees.	5,536,332.00	During 2022	Union of Employers of Information and Communication Technologies (UEICT)	National Polytechnic University of Armenia	Z S TOP LLC Unicomp CJSC PE Nshan Grigoryan ELECTRIKA GROUP LLC PROFAL LLC MEGAOFFICE LLC PRETTY WAY LLC TOR LLC IMEX GROUP LLC PE Tamara Melkumyan

Area of assistance	Project	Project description	Donation amount, roubles	Project implementation period	Beneficiary	Ultimate beneficiaries, if applicable	Contractors, if applicable
Environmental support	My Forest Armenia	Together with My Forest Armenia, MTS planted 20,000 trees in the Lori Province.	2,179,931.00	During 2022	My Forest Armenia	People living in the Lori Province	PE Suren Petrosyan
	Environmental protection in cooperation with the Foundation for the Preservation of Wildlife and Cultural Assets	The project is aimed at creating effective tools to prevent environmental pollution, mitigating the effects of climate change, protecting biodiversity, restoring natural habitats, and promoting the principles of environmentally responsible production and disposal of products.	1,730,104.00	During 2022	Foundation for the Preservation of Wildlife and Cultural Assets (FPWC)	Schoolchildren in Armenia	SunChild NGO for nature and culture protection Aram Barseghyan Andraniki IE Sona Kalantaryan IE SAMVEL SEROBYAN LLC OPTIMA TRADE LLC
	Use of alternative energy sources	In cooperation with the Foundation for the Preservation of Wildlife and Cultural Assets (FPWC), MTS is implementing a project related to environmental protection and sustainable use of natural resources to reduce pollution through the use of alternative energy sources such as solar heating systems and LED streetlights.	20,830,450	During 2022	Foundation for the Preservation of Wildlife and Cultural Assets (FPWC)	People living in Armenia	ZHOOSHAN HUIFENG LIGHTING CO.,LTD ENERAGONAZ LLC NESKO LLC ARMSOLAR LLC MILNAR LLC PE Karen Gishyan RUBINAR LLC PE Araqsyan Zurabyan PE Arayik Tsatryan PE Karen Safaryan BITS LLC PE Samvel Serobyan Nahapetyan Artyom AMRENI LLC
Medical care	Training of assistant specialists (caregivers/special nurses) and therapists/teachers and provision of day care services as part of palliative care for children with developmental disorders	The day care centre for children with developmental disorders was created by mothers of children having special needs. The goal of the centre is to improve the quality of life of these children through a consistent approach to improve their physical and mental health and well - being. The project is aimed at organising special training sessions and courses and training mentors and specialists/teachers who will then support families with children having various physical and mental disorders. Future trainers take courses from leading specialists of Armenian organisations and hospitals. The project allows mothers of children with special needs to return to social life and the children to be under the supervision of specialists.	1,730,104.00	During 2022	Istochnik Foundation	Assistance was provided to 41 children with mental and physical disorders	none
	Support for children with autism together with the International Centre for Child Development Foundation	As part of the project, MTS traditionally pays for classes for children with autism attending the centre.	2,595,155	During 2022	International Centre for Child Development Foundation	Under the project, assistance was provided to 80 children of preschool and school age diagnosed with autism	none
	Support for the Atenas Charitable Foundation	The Atenas Charitable Foundation supports socially disadvantaged people in remote regions of Armenia by providing them with dental services with the help of volunteers. Funds under the project are used to purchase dental materials and equipment.	865,052.00	During 2022	Atenas Charitable Foundation	People living in the Chinari village	none
	Assistance to the House of Soldier	In 2018, the House of Soldier, a non-profit organisation, was established for Armenian citizens who have health problems caused by military service. Children of fallen soldiers may also receive free outpatient treatment.	20,588,235.00	During 2022	House of Soldier, Non-Profit Organisation	The affected citizens of Armenia	Tigran Avik LLC